

#### COUNTY OF SAN DIEGO

#### LAND USE AGENDA ITEM

BOARD OF SUPERVISORS

NORA VARGAS

JOEL ANDERSON Second District

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NATHAN FLETCHER Fourth District

> JIM DESMOND Fifth District

DATE: February 9, 2022

07

**TO:** Board of Supervisors

#### **SUBJECT**

UPDATE ON OPTIONS TO IMPLEMENT VEHICLE MILES TRAVELED ANALYSIS DURING ENVIRONMENTAL REVIEW IN THE UNINCORPORATED REGION AND OPTIONS ON OTHER COUNTY PROGRAMS THAT RELATE TO VEHICLE MILES TRAVELED AND LAND USE (DISTRICTS: ALL)

(CONTINUED FROM JANUARY 26, 2022)

#### **OVERVIEW**

In 2013, the State of California passed Senate Bill 743 (SB 743), which changed how jurisdictions, including the County of San Diego (County), analyze transportation impacts from privately and publicly initiated projects under the California Environmental Quality Act (CEQA). SB 743 identified Vehicle Miles Traveled (VMT) as the standard to evaluate a project's transportation-related environmental impacts. VMT replaces motorist delay and associated level of service (LOS) as the metric for analysis under CEQA. VMT measures the amount and distance people drive to destinations, and the number of trips specific types of land uses will generate. The intent behind SB 743 was to balance the needs of congestion management (traffic) with statewide goals to reduce greenhouse gas (GHG) emissions, encourage infill development, and improve public health through more active transportation, such as walking and biking.

On June 24, 2020 (6), the Board of Supervisors (Board) adopted the Transportation Study Guide (TSG), a technical guide for analyzing transportation impacts using VMT. The TSG describes the process and procedures for project applicants to use when preparing transportation analyses for projects in the unincorporated area beginning July 1, 2020. In September 2020, Cleveland National Forest Foundation, Coastal Environmental Rights Foundation, and the Sierra Club filed suit, alleging adoption of the TSG violated CEQA and SB 743.

On May 19, 2021 (1), the Board received information on how VMT implementation was progressing nearly a year after adoption of the County's TSG and options for potential updates to how the County analyzes transportation impacts of proposed projects under CEQA. The Board directed staff to explore 13 items related to VMT for projects in the unincorporated areas, including more opportunities for infill development, creation of transit accessible areas, opportunities for affordable housing, and VMT mitigation programs.

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In its 2018 guidance, the Governor's Office of Planning and Research (OPR) recommended that, for projects in the unincorporated area, the lead agency compare a project's VMT to "the region's" average VMT. However, at that time, the OPR Technical Advisory did not define a region and did not make any specific recommendations on the boundary that should be established for the unincorporated area to analyze VMT.

On June 29, 2021, OPR clarified that the unincorporated area of counties should use a threshold based on the regional average VMT (rather than an unincorporated area average), which includes the entire San Diego region. This change to the geography reduces the VMT efficient areas within the unincorporated area. VMT efficient areas are locations that meet the threshold to allow projects to move forward without VMT analysis. Projects located outside VMT efficient areas must perform VMT analysis and are required to mitigate for, or offset, any VMT-related impacts. Currently, there is no mitigation program in place for these impacts and mitigating on a project-by-project basis is challenging and costly. This reduces the feasibility of development outside of VMT efficient areas. Based on an unincorporated VMT average, there are approximately 45,444 acres that are VMT efficient, which is approximately six percent of the unincorporated area under the County's land use jurisdiction and does not include State, federal, or tribal land. When using a regional VMT average, the VMT efficient area is reduced to approximately 2,467 acres, or 0.34 percent of the unincorporated area.

In light of the clarification from OPR that unincorporated areas should use a VMT threshold based on a regional average, on September 15, 2021 (1), the Board adopted a resolution to rescind the current TSG, which had relied on an unincorporated area average for VMT. Based on the Board's action, the petitioners agreed to dismiss their lawsuit.

As directed by the Board on May 19, 2021, staff investigated 13 items related to VMT for projects in the unincorporated area, including more opportunities for infill development, creation of transit accessible areas, opportunities for affordable housing, VMT mitigation programs, as well as other directed items, in this report. Based on the analysis from the 13 items, staff has identified options for the Board's consideration. The Board can receive the report and take no action today, or direct staff to conduct further research, or implement the options and return to the Board in the future for consideration and adoption.

While VMT is used to evaluate transportation impacts under CEQA, it plays a critical role in land use planning, as it can also affect a jurisdiction's ability to achieve other State goals and requirements related to housing like the Regional Housing Needs Assessment (RHNA). RHNA is a State mandate that quantifies the need for housing within each jurisdiction, including the unincorporated area. A challenge with VMT implementation is how to implement VMT as recommended by OPR, while meeting other State requirements like RHNA, which will make it more costly and challenging to develop within most of the unincorporated area, since 99.7 percent is located in a VMT inefficient area based on guidance from OPR. As part of the 6<sup>th</sup> Cycle Housing Element (2021 – 2029), adopted by the Board on July 14, 2021, and certified by the State on November 2, 2021, staff found that there were insufficient sites with the densities needed to meet the County's RHNA requirement that were within VMT efficient areas. For projects proposed

outside VMT efficient areas, it becomes challenging and costly to mitigate VMT, and in many cases, it is infeasible due to the cost to mitigate. If a property is located in a VMT inefficient area, there is often a need to prepare an Environmental Impact Report (EIR), which can take 24 to 36 months to process and is costly. Often at the end of the process, the costs associated with mitigating for VMT make it infeasible to develop the property based on current market rates.

After exploring the 13 items related to VMT directed by the Board, staff has developed options and a phased approach to implement VMT within the unincorporated area, allowing projects to move forward within infill areas, excluding very high fire hazard severity zones. Staff has also included a recommendation to begin the process of updating the General Plan through the development of a sustainable land use framework. An update to the General Plan could refocus growth in locations that are VMT efficient, achieve other Board directed priorities related to sustainability, and still allow the County to achieve the State's housing goals.

Staff recommendations are provided for the Board's consideration and described in detail in the Background section. They include a phased approach to implement VMT in the unincorporated area. Phase one includes the preparation of a revised TSG based on a regional geography as recommended by OPR, including adoption of screening criteria for infill areas that would allow projects to move forward in these areas without VMT analysis, including a "village" buffer option incorporating the geographic boundaries of the surrounding "village" as identified in the General Plan (excluding areas mapped as Very High Fire Hazard Severity Zones), small projects and affordable housing projects, and adoption of a Local Mobility Analysis (LMA). Phase two includes longer term items that require the preparation of a programmatic Environmental Impact Report (EIR) and includes exploring a regional VMT Mitigation Program with the San Diego Association of Governments and/or other local jurisdictions that incorporates adoption of screening criteria for Transit Opportunity Areas, which are areas that do not currently have transit service, but due to their location can support increased densities in anticipation of future transit service. A VMT Mitigation Program would also require the preparation of a nexus study in order to establish the fees for the program and would take approximately 30 to 36 months to complete.

While phases one and two are underway, staff also recommends the Board direct staff to prepare options for further direction to initiate the development of a sustainable land use framework for a General Plan Update, factoring in VMT efficient areas based on the regional average, infill areas and surrounding villages, and Transit Opportunity Areas. Framework options would include at a minimum the following: identification of principles for sustainable development that could inform future land use decisions and associated areas suitable for sustainable development based on these principles; and identification of planning mechanisms to implement Board directed principles, including zoning overlays, specific plans, community plan updates, and a focused General Plan Update or a comprehensive General Plan Update. Staff also recommends the Board wait to implement specific options until a sustainable land use framework is developed for a General Plan Update.

#### RECOMMENDATION(S) CHIEF ADMINISTRATIVE OFFICER

- 1. Find in accordance with Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines that this action is exempt because it has no potential to result in either a direct physical change to the environment or a reasonably foreseeable indirect physical change to the environment.
- 2. Receive the presentation and overview of the 13 items and provide direction on options as outlined in Attachment F (Action Sheet) and Attachment G (VMT Cost Estimate) to implement analysis of transportation impacts of proposed projects under CEQA using Vehicle Miles Traveled, including the following:
  - Category A: Opportunities for Infill Development, Transit, By-Right Development, and Land Use Changes (Items 1, 2, 4, 6 and 12)
  - Category B: Opportunities for VMT Mitigation (Item 3)
  - Category C: Opportunities to Prepare a Revised Transportation Study Guide (TSG) (Items 5, 7, 8, 9, 10, 11 and 13)
- 3. The following summarizes the recommendations by phase:
  - A. Phase One Return within six months with a cost of \$100,000
  - 1. **Prepare a revised TSG using a regional geography (Option 7-A)**, circulate it for a 30-day public review and return to the Board within six months for consideration. The Revised TSG should also include the following:
    - a. New VMT screening criteria for projects within infill areas (Option 1-A) and any surrounding "village" as identified in the General Plan, excluding areas mapped as Very High Fire Hazard Severity Zones. The screening criteria will allow projects located in infill areas and any surrounding "village" to move forward without VMT analysis or mitigation. This option would allow up to 8,755 homes to move forward without VMT analysis based on the General Plan. Projects located outside these areas will need to conduct a VMT analysis and propose mitigation to reduce their impacts.
    - b. Adopt the 110 average daily trips small project screening criteria (Option 7-B).
    - c. Adopt OPR recommendation to screen out projects with 100 percent affordable housing from VMT analysis (Option 7-C).
    - d. **Require an LMA (Option 7-E)**. The LMA for discretionary projects would be used to evaluate road operations, safety, and access that has been reduced from the previous type of traffic analysis done based on Level of Service prior to the implementation of SB 743 in that the area evaluated is limited to a few intersections around the project with the primary focus of safety and not traffic.

- 2. Direct staff to return with options for a sustainable land use framework (Option 6-D). Staff also recommends the Board direct staff to prepare options for further direction to inform the development of a sustainable land use framework for Board consideration and return to the Board in 120 days. Options would include the following: identification of principles for sustainable development that could inform future land use decisions; and comparison of planning mechanisms to implement Board directed principles, including zoning overlays, specific plans, community plan updates, or a general plan update.
- B. Phase Two Return within 30-36 months with a cost of \$1,250,000
  - 1. Work with SANDAG, Metropolitan Transit System (MTS), and North County Transit District (NCTD) to develop a regional VMT Mitigation Program (Option 3-A) and work with the City of San Diego and/or other local jurisdictions to develop a joint program or join an existing program like the city program (Option 3-B), prepare the required nexus study and programmatic Environmental Impact Report (EIR) and return to the Board in 30 to 36 months for consideration. In the interim, allow projects on a case-by-case basis to work with transit agencies in the region to identify VMT mitigation for individual projects. As part of the mitigation program, include options where a developer can choose to opt in or out of the program and require a portion of the fees collected are spent to reduce VMT within the unincorporated area, with a priority on underserved communities and ensuring that the mitigation fees are used to implement projects that reduce VMT and GHG emissions. As part of the VMT Mitigation Program, also develop a Transportation Demand Management (TDM) ordinance for the unincorporated area that includes measures to reduce vehicle trips from new development. TDM is a strategy implemented to reduce vehicle trips and VMT by incorporating measures such as telecommuting, walking, carshare, shuttles, and other options that reduce single occupant vehicle trips.

As part of the same EIR for the VMT Mitigation Program discussed above, prepare a **Programmatic EIR (Option 2-A)** to evaluate the impacts from screening out projects from VMT analysis within Transit Opportunity Areas (TOAs). The programmatic EIR would cover both items in one programmatic document and provide programmatic environmental coverage for future projects within TOAs so no additional VMT analysis would be required for future individual projects. A statement of overriding considerations may be required if the VMT impacts associated with development in these areas cannot be mitigated. A statement of overriding considerations is a term used in CEQA that allows a project to be approved due to its benefit to the community despite the project's having significant impacts on the environment that cannot be mitigated. Examples of overriding considerations include the creation of housing, jobs, and other social and economic benefits.

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#### **EQUITY IMPACT STATEMENT**

An analysis of transportation impacts as measured by Vehicle Miles Traveled (VMT) will reduce environmental and health impacts associated with transportation, including noise, air pollution and safety, and help accomplish the goals of Senate Bill 743 to balance the needs of congestion management with goals related to infill development, promotion of public health, and reduction of greenhouse gas emissions. One of the options considered in this Board Letter explores exceptions to the VMT thresholds for affordable housing projects at less than 100 percent affordable, including mixed income and various components of Area Median Income, which provides more opportunities for those with less income.

#### FISCAL IMPACT

There is no fiscal impact associated with receiving the report presented today. Should the Board of Supervisors (Board) direct staff to further research or implement any of the options and return in the future for consideration and adoption, costs will be included as part of the Fiscal Year (FY) 2022-23 CAO Recommended Operational Plan.

Funds for this request are not included in the Fiscal Year 2021-22 Operational Plan. Depending on which option the Board selects, there are various fiscal impacts per recommendation as outlined in Attachment G (VMT Cost Estimate). If options are directed, this request will result in an estimated cost ranging from \$100,000 to \$4,965,000 in one-time costs beginning in Fiscal Year 2022-23 that will be referred to budget to establish appropriations and identify a funding source. The impact to net General Fund costs will depend on Board direction. There will be no additional staff years.

#### **BUSINESS IMPACT STATEMENT**

N/A

#### ADVISORY BOARD STATEMENT

N/A

#### **BACKGROUND**

In 2013, the State of California (State) passed Senate Bill 743 (SB 743), which changes how jurisdictions, including the County of San Diego (County), are required to analyze transportation impacts from projects under the California Environmental Quality Act (CEQA). CEQA was signed into law in 1970 to provide standards for regulating pollution and preserving the natural environment. CEQA requires California's public agencies and local governments to measure the environmental impacts of development projects or other major land use decisions and to limit or avoid those impacts when possible. State CEQA Guidelines encourage lead agencies, like the County, to develop and publish guidelines to describe the level at which the environmental impacts become significant. These are called thresholds of significance. SB 743 required local jurisdictions to shift their environmental impact analysis for transportation from using traffic congestion or "level of service" (LOS) to Vehicle Miles Traveled (VMT) starting July 1, 2020. VMT replaces motorist delay and associated level of service (LOS) as the metric for analysis under CEQA.

Although traffic congestion measured the impact on the driver, VMT is intended to balance the needs of congestion management with statewide goals to reduce greenhouse gas (GHG) emissions, encourage infill development, and improve public health through more active transportation. VMT is calculated by determining the distance and number of vehicle trips generated from a home or business. When analyzing a project's impact on the environment from VMT, a lead agency can provide guidance on impacts from VMT by comparing the estimated VMT from the project to the average VMT in a defined area.

SB 743 does not require local agencies to adopt guidelines or to establish a threshold for VMT; however, agencies may adopt guidelines and thresholds after public review, and these guidelines and thresholds must be supported by substantial evidence. If an agency does not adopt guidelines or thresholds, each project must develop a specific threshold to determine whether the project's impacts will be significant under CEQA. When analyzing a project's impact on the environment from VMT, the estimated VMT from the project is compared to the average VMT in a defined area. If a project decreases VMT from existing conditions within the defined area, it may be considered to have a less than significant impact on transportation, depending on the decrease. A project can also be considered to have a less than significant impact on VMT if it generates less than a specified amount of average daily trips. Other criteria can also be used to determine if a project has a less than significant impact from transportation on the environment, such as projects that are adjacent to existing major transit facilities. Projects found to have a significant impact on the environment under CEQA are required to mitigate for, or offset, those impacts where feasible. Because a project's VMT is largely driven by the location of that project, which cannot easily be changed, mitigating for significant VMT impacts can be difficult to accomplish without a defined mitigation program in place. Mitigation can also be costly. Therefore, using VMT as the metric for analyzing transportation impacts under CEQA incentivizes development in higher density areas near transit with a diverse mix of uses, and disincentivizes it in lower density areas that are more distant from jobs, services and transit.

A transportation analysis involves determining the project's VMT using nationally adopted traffic standards and modeling and comparing those to something like a regional VMT average. Then for a project to be considered efficient, it is compared to a threshold that is also adopted by a jurisdiction, such as 15 percent below the regional VMT average, which is the threshold recommended by OPR. If the average VMT is below the threshold, the project does not have a significant VMT impact and can move forward, without further VMT analysis. If the average VMT for the project exceeds the threshold, the project must propose mitigation to reduce the project's VMT to below the threshold. If the project cannot reduce their VMT to below the threshold, an EIR is required with a statement of overriding considerations for the project's significant and unavoidable impacts. VMT is one of multiple subject matter areas analyzed under CEQA. Even if a project does not have a VMT impact, the project still requires environmental review for other CEQA environmental subject matters like biology, cultural resources, and fire hazards.

The Governor's Office of Planning and Research (OPR) prepared a Technical Advisory document to assist local agencies when developing their own guidelines for the assessment of VMT,

thresholds of significance, and mitigation measures. OPR stated that lead agencies have the discretion to set or apply their own thresholds of significance. Based on staff's research, jurisdictions across the state have taken different approaches to implement VMT. Of the 58 counties in the state, 16 adopted their own VMT guidelines, nine chose to rely on OPR guidance and not adopt their own guidelines, and 33 have no guidance, so projects develop their own VMT analysis on a case-by-case basis. Of the 16 counties that adopted their own VMT guidelines, eight counties adopted a threshold based on the unincorporated area average, six adopted a threshold based on the regional average, and two counties chose other alternatives.

On June 24, 2020 (6), the Board of Supervisors (Board) adopted a Transportation Study Guide (TSG) for the unincorporated area, a technical guide for analyzing transportation impacts for projects using VMT. The TSG described the process and procedures for project applicants and their consultants to use when preparing transportation analyses. The TSG also included a methodology referred to as Local Mobility Analysis (LMA) to meet the County's General Plan requirement for a Level of Service (LOS) D (which is considered a stable flow of traffic with an acceptable level of delay) or better and to ensure the safe operations of the roads for all users.

On May 19, 2021 (1), the Board received an overview of how VMT implementation was progressing nearly a year after adoption of the County's TSG. Staff also requested the Board to provide direction on potential updates to the VMT thresholds used to evaluate the significance of a project's transportation impacts, including options for using an unincorporated average, subareas average, or a regional average to measure existing average VMT, and the screening level threshold for "small" projects. A project is considered "small" if it generates less than 110 Average Daily Trips (ADT). The Board was also given the option to leave the existing TSG in place.

After receiving the update, the Board provided direction to explore 13 items related to VMT:

- 1. Assess and explore the process by which infill development can be done in a manner to ensure no VMT mitigation is necessary.
- 2. Explore the potential creation of transit accessible areas and look at the intersection between VMT efficient areas or lower thresholds in accordance with the areas that do not require further analysis. Explore the potential transit corridors and look at the SANDAG Regional Transportation Plan (RTP), Metropolitan Transit System (MTS), North County Transit District (NCTD), and other possible areas and how that may impact VMT efficient areas or areas covered by the exemption.
- 3. Explore programmatic or plan-level mitigation opportunities for VMT, including the concept of a regional mitigation bank.
- 4. By-right process for development in VMT efficient areas.
- 5. Further exploration of exceptions to the VMT thresholds for affordable housing projects at less than 100 percent affordable, including mixed income and various components of Area Median Income (AMI), along with exploring the possibility of exceptions for middle income or workforce housing, local hire, and agriculture type projects that might have a net impact of lowering VMT.

- 6. Explore land use density of land that is in VMT efficient areas.
- 7. Continue to track guidance from the California Office of Planning and Research (OPR), along with other governing body efforts, including the SANDAG RTP.
- 8. Monitor the progress of other jurisdictions as it relates to their adoption, along with what unique programs, exemptions, or opportunities they may be exploring that the County may want to consider.
- 9. Consider a phase-in timeline to allow for a transition into a regional geography.
- 10. Consider compliance options for projects that have already been proposed or are in the process now.
- 11. Conduct an analysis of the options to remove the Local Mobility Analysis.
- 12. Inform the Board regarding updates on development of the Smart Growth component of the Climate Action Plan (CAP) Update and Supplemental EIR to ensure it is integrated and aligned with efforts around VMT.
- 13. Conduct an analysis of proposed housing projects designated for individuals under 60 percent AMI and under 80 percent AMI and the potential cost impact of switching to a regional geography.

After the May 19, 2021 Board meeting, OPR clarified that "regional" is defined as the full geography within the jurisdictional borders of a Metropolitan Planning Organization (MPO) or a Regional Transportation Planning Agency (RTPA). For San Diego County, this is the San Diego Association of Governments (SANDAG) region, which includes the entire county. Previously, in its 2018 guidance, OPR recommended that for projects in the unincorporated area, the lead agency compare a project's VMT to a "citywide" or the "region's" average VMT. For example, the City of San Diego could evaluate a project's VMT compared to the citywide average or the overall region's average. Although the OPR Technical Advisory is intended to provide advice and recommendations and is not mandatory, as directed by item 7 above, staff returned to the Board on September 15, 2021 (1) with this new guidance, and the Board adopted a resolution to rescind the County's TSG based on OPR's updated guidance that the County should use the regional average VMT for projects in the unincorporated area. The Board also directed staff to return in January 2022 with the analysis regarding the 13 items.

The following is County staff's analysis on the 13 items directed by the Board related to the implementation of SB 743 and VMT in the unincorporated area of the county. The Board can receive the report and take no action today, or direct staff to further research or implement any or all of the options identified and return to the Board in the future for consideration and adoption. The Board can provide direction related to A) Opportunities for Infill Development, Transit, By-Right Development, and Land Use Changes (Items 1, 2, 4, 6 and 12); B) Opportunities for VMT Mitigation (Item 3); and C) Opportunities to Prepare a Revised Transportation Study Guide (Items 5, 7, 8, 9, 10, 11, and 13).

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#### **Project Analysis**

Staff researched and analyzed the 13 items directed by the Board and grouped them into categories based on the topic. The following is an analysis of each topic with options identified for each, followed by an overall summary of all the options for the Board's consideration and direction.

### Category A: Opportunities for Infill Development, Transit, By-Right Development, and Land Use Changes (Items 1, 2, 4, 6 and 12)

#### **Item 1: Opportunities for Infill Development**

County staff and its consultant team (Fehr and Peers and Intersecting Metrics) researched how infill development might be evaluated for VMT transportation analysis under CEQA and the creation of future transit opportunities. The intent of SB 743 was to streamline environmental review for land development projects located within infill areas close to transit, however no specific definition for infill was provided. To understand what is considered "infill" development in the unincorporated area, staff evaluated multiple land use and transportation variables to create a definition.

#### Defining Infill Development in the unincorporated area

Infill development has been studied for decades by researchers, and each research study and paper has provided varying definitions for infill development. Infill development is defined by OPR as "...building within unused and underutilized lands within existing development patterns, typically but not exclusively within urban areas." A definition for infill is also codified in California's Public Resources Code Section 21061.3 and includes criteria involving adjacent urban development, recent development approvals, and history of development on the site.

County staff and the consultant team developed infill definitions and criteria based on a literature review and socioeconomic data from SANDAG as well as the definition from OPR. The following data was analyzed as part of the process:

- Population density (the number of people per unit of area)
- Housing density (the number of dwelling units per acre)
- Employment density (the number of employees per square feet of building space and acres of land)
- Intersection density (the number of intersections or places where two or more roads meet and cross each other. High intersection density corresponds to a more walkable environment).
- Access to jobs within a 15-mile radius
- Access to shopping/restaurants within a one-mile radius

Based on definitions and information provided by both the US Census and Department of Transportation, the following criteria was prepared to define and map infill in the unincorporated area:

- 1. **Household density.** Household density above 385 housing units per square mile was selected based on the US Census definition for urban area, replacing the previous use of population to account for smaller household sizes and seasonal populations. The 385 housing units per square mile is used by the Census Bureau to identify urban areas across the country based on the concentration of housing.
- 2. **Intersection density.** An urban area is defined by having over 128 intersections per square mile.
- 3. **Jobs Accessibility.** Jobs accessibility is determined by the number of employment opportunities within a 15-mile radius of a location, which is the average driving distance to work based on information from the US Department of Transportation.

Using the above criteria creates a geographic area that is associated with urban development within the unincorporated area of the county. Development in more dense areas with high job accessibility leads to more diversity in land use, demand for transit (bus and trolley) and multimodal infrastructure (walking and biking), and shorter vehicle trips, which reduce greenhouse gasses and VMT.

The County's General Plan Housing Element identifies a remaining capacity of over 58,000 dwelling units. Based on the infill analysis, the communities of the unincorporated area that meet the definition of infill include portions of San Dieguito, Bonsall, Ramona (along Main Street), Fallbrook, Lakeside, Valle De Oro, Spring Valley, Alpine, and Sweetwater. As a result of these areas meeting the urban infill definition, the Board could consider allowing development projects to be "screened out" in these areas, which means these projects can move forward without VMT analysis. Although projects located within infill areas would not require VMT analysis, they would still require environmental review under CEQA and analysis of other subject matters like biology, cultural resources, and fire hazards. In total, infill areas include approximately 13,502 acres or 1.9 percent of the unincorporated area and would support approximately 2,920 additional housing units based on the current General Plan. Maps of the infill areas are included in Attachment A – Technical Memorandum, Infill Opportunity Areas in unincorporated San Diego County.

Table 1 identifies the acreage, total housing units, and percentage of remaining General Plan dwelling unit capacity within each of the infill area options. For example, within the infill area there are a total of 2,920 planned housing units, which is three percent of the overall planned housing capacity of the General Plan. Each row in Table 1 below includes the total number of acres and planned housing units under the General Plan for each option.

Based on stakeholder feedback, additional options were included in Table 1 that expand beyond the infill areas to include a buffer. These options reduce the likelihood of a project on one side of the street being classified as infill, while a project on the opposite side of the street is not. The

buffers around infill areas capture more of the surrounding area and reduce these types of inconsistencies. These options include a buffer that encompasses adjacent areas that have similar "urban" characteristics, including mixed land uses. The buffers resemble concentric circles that extend out from the center, which in this case is the infill area. For example, the "infill + buffer" option includes the entire Traffic Analysis Zone (TAZ), which is a defined area in the SANDAG traffic model that has similar driving attributes. The "infill + buffer" options in the table below include the total acres and units from the infill and buffer area, not only the buffer. Staff also included a "village" buffer option in which each of the infill areas includes the entire "village" area as identified in the General Plan if the infill area falls within the boundaries of a village. These options increase the overall size of the "infill area" and include approximately 10,000 planned housing units under each option. Table 1 identifies each infill area option, including the acreage and number of planned housing units in the General Plan, as well as the percentage of the 58,000 total planned housing units in the General Plan.

Table 1: Infill Options and Housing Capacity

Infill Option	Acres	Planned Housing Units in General Plan	Total % of Planned Housing Units in General Plan	Planned Housing Units if Very High Fire Hazard Areas are Removed
Infill Areas (no buffer)	13,502	2,920	5.0%	2,509
Infill + Buffer	64,838	10,236	17.6%	7,569
Infill + Village	33,782	10,177	17.5%	7,856

#### Item 1 – Infill Area Options:

Using criteria to define and map infill areas provides the geographic location of existing urban areas in the unincorporated area. However, because most of these defined infill areas are not located within VMT efficient areas when applying a regional geography using the SANDAG region, the following options are provided for the Board's consideration on how the County could move forward with screening out future development from VMT analysis within infill areas:

### Option 1-A: New VMT Screening Criteria for Infill Areas (Staff Recommendation, Phase 1)

Establish new screening criteria to allow projects within one of the above infill area option locations to move forward without VMT analysis, including the two buffer options. The substantial evidence to support the infill areas and any buffers would be prepared as part of a new transportation study guide (TSG) (Option 7-A) or a separate VMT screening threshold based on the information provided in Attachment A, which includes the research and analysis conducted to define and map infill areas within the unincorporated area. The new TSG (Option 7-A) or VMT screening threshold would require a 30-day public review period prior to

consideration and adoption. As part of this option, the Board could remove areas mapped as High and/or Very High Fire Hazard Severity zones from the infill areas. Staff is recommending adoption of the infill area option that includes any surrounding "village" as identified in the General Plan, excluding areas mapped as Very High Fire Hazard Severity Zones. The screening criteria will allow projects located in infill areas and any surrounding "village" to move forward without VMT analysis or mitigation. This option would allow up to 8,755 homes to move forward without VMT analysis based on the General Plan. Projects located outside these areas will need to conduct a VMT analysis and propose mitigation to reduce their impacts.

A specific concern raised in the previous VMT litigation was that an environmental impact report (EIR) should have been prepared with the preparation of the VMT guidelines, including any associated screening criteria. Environmental review is not required when a local jurisdiction adopts guidelines for CEQA review, including setting thresholds to determine if a project has a significant environmental impact, but the thresholds must be supported by substantial evidence (CEQA Guidelines § 15064.7(b)). As a result, the Board can adopt the infill areas without environmental analysis and screen out projects from VMT analysis, however this action could again be challenged. Another option is to include the infill areas in a programmatic EIR that is required for other options included in this report.

The new TSG (Option 7-A) or VMT screening threshold would require a 30-day public review period prior to consideration and adoption. This option would take up to six months to implement with a one-time cost of \$100,000.

If the Board would like a programmatic Environmental Impact Report (EIR) to be prepared, Option 1-B should be adopted in lieu of Option 1-A to address concerns related to environmental review for projects outside VMT efficient areas.

### Option 1-B: Programmatic Environmental Impact Report (EIR) (cannot be combined with Option 1-A above)

Prepare a programmatic EIR to analyze the VMT impacts from projects located within infill areas. Establishing a new threshold does not require environmental analysis under CEQA as described under Option A. However, review of the thresholds could be combined with other VMT efforts that could require environmental review. An EIR would provide environmental coverage for future projects within infill areas, so no additional VMT analysis would be required by private applicants for each individual project. Therefore, preparing an EIR could be prudent; however, even with an EIR, there is the possibility that the EIR may require a statement of overriding considerations in order to certify the EIR and adopt the infill screening threshold. A statement of overriding considerations is only used when a project has environmental impacts that cannot be mitigated. A statement of overriding considerations allows a decision-maker to approve a project considering the unavoidable environmental effects because of the potential economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits. In this case, the use of an infill

screening threshold would support other Board directed efforts such as building new and affordable housing in areas located near employment, services, and future transit. These reasons and others could be used to support a statement of overriding considerations.

This option would take approximately 30 to 36 months to implement with a one-time cost of \$750,000.

# Option 1-C: Use the Infill Area Maps as a Reason for Adopting a Statement of Overriding Considerations on a Project-by-Project Basis (can be combined with Option 1-B above) Until a programmatic EIR is certified, individual projects will be considered on a case-by-case basis. Development can be encouraged within infill areas to balance the benefits of locating projects in these areas against the significant unavoidable VMT impacts by adopting a statement of overriding considerations for a project. The Board will still have discretion to approve or deny a project based on the merits of each individual project, but its location within an infill area can be a significant consideration. There is no additional time or cost associated

Table 2: Item 1 Options

with this option.

Option Option	Pros/Cons	Cost	Timeframe
Option 1-A New VMT Screening Criteria for Infill Areas	<ul> <li>Larger area and includes more planned housing units</li> <li>No environmental review required</li> <li>Can be implemented in shorter timeframe</li> <li>No affordable housing requirement</li> </ul>	One-time cost of \$100,000 (can be combined with preparation of new TSG in Items 7-10 Option 1-A) to prepare the new TSG, put it out for public review, and return to the Board for consideration	Up to six months to prepare the TSG, put it out for public review, and return to the Board
Option 1-B Programmatic EIR (cannot be combined with Option 1-A)	<ul> <li>Environmental review required</li> <li>Longer timeframe to implement</li> <li>Addresses concern in prior litigation regarding</li> </ul>	One-time cost of \$750,000 (can be combined with other options that require preparation of an EIR) to prepare an EIR along with the new TSG then return to the Board for consideration	30-36 months to prepare the TSG and EIR, put it out for public review, and return to the Board

Option	Pros/Cons	Cost	Timeframe
	environmental		
	review		
<b>Option 1-C:</b> Use the	<ul> <li>Provides</li> </ul>	No additional costs	Immediate
Infill Area Maps as a	guidance on		
Reason for Adopting	where projects		
a Statement of	should be		
Overriding	located while		
Considerations on a	EIR is in process		
Project-by-Project	•		
Basis (can be			
combined with			
Option 1-B above)			

Additional considerations that were analyzed in evaluating an infill definition included high and very high fire hazard areas. In most cases, development in the wildland urban interface is not likely to be considered infill, as it is likely to be less dense. In total, approximately 3,278 acres of the infill area (13,502 acres) are within high or very high fire hazard zone and include approximately 614 homes out of the 2,920 planned in the General Plan. The very high fire hazard zone includes 1,961 acres and 411 planned housing units and the high fire hazard zone includes 1,317 acres and 203 planned housing units. As an option, one or both areas could be removed from the infill areas.

#### **Item 2: Opportunities for Regional Transit**

Regional transit services within the unincorporated area are currently limited to a single Sprinter Station (Buena Creek) in the North County Metro Area near Vista. This presents a significant VMT challenge for the unincorporated area since it is predominantly comprised of lower density suburban and rural communities that are not served by transit, despite a population of approximately 513,000 in the unincorporated area. For example, the unincorporated communities of Lakeside, Spring Valley, and Fallbrook have higher populations than some incorporated cities like Del Mar, Lemon Grove, and Coronado.

As outlined in OPR's Technical Advisory Document, new development located within a half-mile of a major transit stop (e.g., Buena Creek Sprinter Station) is presumed to have a less than significant transportation impact, regardless of the project's anticipated VMT generation. These areas have been defined as Transit Priority Areas (TPA). However, the OPR Technical Advisory further notes that if project-specific or location-specific information indicates that the project will still generate significant levels of VMT, further VMT analysis would be necessary, even if the project is located within a half mile of the major transit stop. Examples of this include projects that provide more parking than is required, are inconsistent with the Regional Transportation Plan Sustainable Communities Strategy, which lays out how the region will meet greenhouse gas (GHG) reduction targets set by the California Air Resources Board (CARB), or projects that replace affordable units with a smaller number of moderate- or high-income units.

**SUBJECT:** 

UPDATE ON OPTIONS TO IMPLEMENT VEHICLE MILES TRAVELED ANALYSIS DURING ENVIRONMENTAL REVIEW IN THE UNINCORPORATED REGION AND OPTIONS ON OTHER COUNTY PROGRAMS THAT RELATE TO VEHICLE MILES TRAVELED AND LAND USE (DISTRICTS: ALL)

#### San Diego Forward 2021 Regional Transportation Plan

San Diego Forward is the Regional Transportation Plan (RTP) for the San Diego Region. The RTP sets the vision, plan, timing, and funding allocation for a region's transportation network. As the Metropolitan Planning Organization (MPO) for the San Diego Region, SANDAG is responsible for developing, publishing, and implementing the region's RTP. SANDAG released its initial Draft of San Diego Forward: the 2021 Regional Plan (2021 Draft Regional Plan) in May 2021, and this was used as the primary resource to identify potential opportunities to expand future transit services within the unincorporated area. Subsequently, the 2021 Draft Regional Plan (RTP) was adopted by the SANDAG Board of Directors on December 10, 2021.

#### RTP Transit Leap

High-frequency regional transit routes such as fixed rail, bus rapid transit (rapid bus), or express bus services are generally considered to be associated with high-quality transit corridors (bus service with service intervals of 15 minutes or less) with major transit stops and the types of transit services that facilitate Transit Opportunity Areas (TOAs), where future development is also encouraged. Due to their proximity to Mobility Hubs, infill areas, and higher density land uses, staff identified TOAs within the unincorporated area for future transit service. Currently in the 2021 RTP, there are a limited number of high-frequency regional transit services planned within the unincorporated area, limiting the number of opportunities to create future TOAs. A Next Gen Rapid route, described in the SANDAG RTP as a faster more reliable rapid bus with service every 10 minutes all day, is proposed to service the Spring Valley, Casa De Oro, Sweetwater, and Otay Community Planning Areas (CPAs); however, no other high-frequency regional transit services are proposed within north county or the unincorporated area (outside the existing Buena Creek Sprinter Station).

#### RTP Complete Corridors

The 2021 RTP also identifies a series of Complete Corridors within the regional highway network where additional transit service and improvements are envisioned. Complete Corridors will be designed to give buses and other transit vehicles dedicated space on roads that are currently identified to have excess vehicular capacity. Complete Corridors will also offer transit vehicles a traffic signal system that gives them priority over other traffic, thus reducing travel times and improving service. These improvements should provide the opportunity to implement additional future high-frequency regional transit services (Rapid bus or Express bus) within the unincorporated area. The I-15 corridor between SR-78 and SR-76 is identified in the 2021 RTP as a Complete Corridor but could be expanded up to Riverside County and is identified by County staff as a TOA in the unincorporated area.

#### RTP Mobility Hubs

As outlined in the 2021 RTP, Mobility Hubs are communities with a high concentration of people, destinations, and travel choices. Mobility Hubs span one, two, or even a few miles based on community characteristics. Mobility Hubs will be uniquely designed to fulfill a variety of travel needs while strengthening sense of place. A fully connected network of regional Mobility Hubs

ensures seamless connections to major work, school, shopping, and leisure destinations using transit and Flexible Fleets, which are on-demand rideshare services.

Most of the Mobility Hub areas identified in the RTP are located outside of the unincorporated area; however, there are proposed Mobility Hub locations that incorporate portions of San Dieguito, North County Metro, Lakeside, and Otay CPAs.

#### RTP Funding

The 2021 RTP is intended to be implemented over the next 29 years (through 2050). The funding and improvement schedules within the plan are broken down into three different timeframes of 2025, 2035, and 2050. Over \$5 billion will be allocated toward the development of the regional Mobility Hub network that is planned throughout the region. In general, the timing of the proposed Mobility Hub improvements will be in conjunction with the Complete Corridor and Transit Leap improvements.

Based on discussions with SANDAG staff, the locations, features, and amenities within the individual Mobility Hub sites have not yet been defined. SANDAG plans to work with the member agencies to identify the transportation needs and opportunities within each Mobility Hub site. The 2021 RTP also identifies \$837 million in future planning and capital grant opportunities that local jurisdictions can use to identify, plan, and implement transportation related infrastructure, programs, or land uses associated with the proposed Mobility Hubs, as well as smart growth and/or VMT reduction opportunities. An additional \$333 million in grant funding will be available for member agencies to develop, enhance review, process, and/or update their smart growth and VMT reducing policies.

The County will continue to work with SANDAG on potential "Rural Mobility Hubs," to plan and invest in future transit services to these areas. The Rural Mobility Hubs are distinct from TOAs in that they are located in rural areas such as Ramona and Alpine. Therefore, they are not intended to facilitate future high-frequency or high-quality transit services (bus service with service intervals of 15 minutes or less) that can provide screening criteria for VMT, but rather to provide some intermittent service throughout the day or provide connectivity to SANDAG's proposed Mobility Hubs.

#### SANDAG Approval of the RTP

To refine and implement Mobility Hubs, the 2021 RTP approved on December 10, 2021, by the SANDAG Board, included near-term actions to update local government grant programs, provide funds for transportation-related improvements, update Mobility Hub areas to align with the latest planning assumptions, and partner with jurisdictions on planning efforts that support sustainable communities in Mobility Hub areas and Transit Priority Areas.

As a result of the County's outreach efforts, SANDAG included language in the Final RTP to partner with the County to update and refine regional Mobility Hub areas as mobility projects and land use changes, such as the County's efforts related to VMT, are implemented, and periodically

prepare an updated Mobility Hub map. The County will continue to work with SANDAG to collaborate on VMT Transit Opportunity Areas in the unincorporated area that include high-density land uses that align with Mobility Hub areas and associated grant opportunities. Implementation of high frequency transit services in the unincorporated area allows for those areas to be established as Transit Priority Areas, which are screened out from VMT analysis. One option is to prepare a programmatic environmental analysis of the Transit Opportunity Areas to analyze potential VMT impacts and identify mitigation to allow development projects to move forward in these areas while future transit investments are being planned and implemented in the future.

#### Transit Opportunity Areas (TOA)

TOAs are locations within the unincorporated area that could support future transit service through the expansion of planned Mobility Hubs. TOAs are not currently identified in the 2021 RTP, so if directed, staff would work with SANDAG to identify TOAs in the unincorporated area that could support transit in the future. Based on an evaluation of infill opportunities, higher density, as well as mixed-use development within the Village Areas, the following areas were identified by PDS to have the best opportunities to expand Mobility Hubs and if directed, staff would work with SANDAG, MTS, and NCTD to plan for transit within the following unincorporated areas in the future:

- San Dieguito East Village Area: The San Dieguito East Village Area is located adjacent to
  the Next Gen Rapid Bus Line that is proposed along the I-15 corridor and has the highest
  potential to receive high frequency regional transit service within any unincorporated area.
- O Lakeside Village Area: The Lakeside Village Area has a population of approximately 77,701, which is one of the highest populations of any unincorporated community or incorporated city in the region, and a portion of the area is located within a proposed Mobility Hub.
- O Spring Valley & Valle De Oro Village Areas: A future Next Gen Rapid Bus Line is proposed along the southeastern boundary of the Spring Valley & Valle De Oro Village Areas, and service populations within both village areas and are some of the highest in the region with populations of approximately 63,947 in Spring Valley and 42,234 in Valle de Oro.
- O Sweetwater Community Planning Area (CPA): A future Next Gen Rapid Bus Line is identified in the 2021 RTP and could provide service through the middle of the Sweetwater CPA as well as the SR-54 Complete Corridor. Both facilities could provide ideal transit access to the Sweetwater CPA in the future.
- Otay Village: The Otay Village Area is located directly adjacent to a proposed Next Gen Rapid Bus Line and the SR-125 Complete Corridor, and the 2021 RTP also proposes a Mobility Hub which encompasses a portion of the Otay Village Area, which could be

expanded through further coordination with SANDAG and MTS to include the Otay Village Area.

I-15 Corridor: The 2021 RTP proposes that the I-15 corridor between SR-78 and SR-76 become a Complete Corridor but could be expanded up to Riverside County through coordination with SANDAG.

The proposed TOAs would go beyond what was included in the 2021 RTP and would involve County staff working with SANDAG, MTS, and NCTD to expand the planned Mobility Hubs to include portions of the unincorporated area, providing opportunities for additional development and future transit expansion through a programmatic EIR. Maps and additional information on these Transit Opportunity Areas can be viewed in *Attachment B – Potential Transit Expansion Opportunities within the Unincorporated County*.

#### Item 2 – Transit Opportunity Area (TOA) Options

Using the 2021 RTP, the County can designate areas as TOAs, described above, as opportunity areas to expand transit services due to their proximity to Mobility Hubs, infill areas, higher density land uses. CEQA requires an analysis of numerous environmental subject areas like biology, air quality, greenhouse gas emissions, and VMT. Sometimes a project is considered to have no impact on the environment for a particular subject, meaning it is screened out and does not need to prepare any analysis. This does not mean it is screened out for the other subject areas in CEQA. For example, if a project site has already been developed and there are no biological resources on a site, the project would be screened out from doing biology studies. However, it may still need to be analyzed for transportation impacts. Discussed below are options to screen projects out from VMT analysis if located within a TOA.

If TOAs are screened out from VMT analysis, it would incentivize development within these areas and lead to increased densities that could support future transit service, further reducing VMT. However, because these areas do not currently have transit service and it is anticipated that projects in these areas could have significant VMT impacts, a programmatic environmental analysis would be recommended in order to disclose potential transportation impacts for these areas. Future projects would be able to use this environmental analysis as a CEQA streamlining mechanism and would not be required to prepare project specific VMT analyses. To accomplish this environmental coverage, an EIR for all the TOAs would be required, and potentially a statement of overriding considerations would also need to be adopted if the VMT impacts within the TOAs cannot be mitigated to a less than significant level. As a result, the following options are provided on how the County can move forward with Transit Opportunity Areas:

### Option 2-A: Programmatic Environmental Impact Report (EIR) (Staff Recommendation, Phase 2)

County staff prepare a programmatic EIR to analyze the VMT impacts from projects located within TOAs. An EIR would provide programmatic environmental coverage for future projects

within TOAs, so no additional VMT analysis would be required by individual projects. A statement of overriding considerations may be required if the VMT impacts associated with development in the TOAs cannot be mitigated to a less than significant level within a certain timeframe. This option would not evaluate any changes to density within the TOAs. Additional analysis of land use changes, including potential density increases is covered below in items 6 and 12.

This option would take approximately 30 to 36 months to implement with a one-time cost of \$750,000. If combined with Option 3-A, 3-B, or 3-C, the combined cost would be \$1,250,000.

## Option 2-B: Use the TOAs as a Reason for Adopting a Statement of Overriding Considerations on a Project-by-Project Basis (can be combined with Option 2-A) (<u>Staff Recommendation, Phase 1</u>)

Until a programmatic EIR is certified, VMT impacts from projects would continue to be analyzed on a case-by-case basis, and there will still be discretion to approve or deny a project based on the merits of each individual project, but its location within a TOA can be a significant reason to apply overriding considerations for VMT. There is no additional cost associated with this option. Once the TOA boundaries are established, projects can use the maps on a case-by-case basis.

Table 3: Item 2 - TOA Options

Option	Pros/Cons	Cost	Timeframe
Option 2-A Programmatic EIR	<ul><li>Environmental review required</li><li>Longer timeframe to</li></ul>	One-time cost of \$750,000 (can be combined with other options that require	30-36 months to coordinate with SANDAG on the TOA boundaries and
	<ul> <li>implement</li> <li>Addresses         concern in prior         litigation         regarding         environmental         review</li> </ul>	preparation of an EIR) for coordination with SANDAG on the TOA boundaries and preparation of an EIR	prepare an EIR
Option 2-B: Use the TOAs as a Reason for Adopting a Statement of Overriding Considerations on a Project-by-Project Basis (can be	Provides     guidance on     where projects     should be     located while     EIR is in process	No additional costs	Once TOA boundaries are defined, which is estimated at approximately 6-12 months

SUBJECT: UPDATE ON OPTIONS TO IMPLEMENT VEHICLE MILES TRAVELED ANALYSIS DURING ENVIRONMENTAL REVIEW IN

THE UNINCORPORATED REGION AND OPTIONS ON OTHER COUNTY PROGRAMS THAT RELATE TO VEHICLE MILES

TRAVELED AND LAND USE (DISTRICTS: ALL)

combined with		
Option 2-A)		

#### Item 4: Opportunities for By-Right Development in VMT efficient areas

The County's 6<sup>th</sup> Cycle Housing Element (2021 – 2029) adopted by the Board on July 14, 2021 (1), includes Implementation Plan Item No. 3.1.1.B: By-Right Approval for Projects with 20 Percent Affordable Units. Pursuant to Assembly Bill 1397, the County is required by State law to amend its Zoning Ordinance to allow by-right approval of housing developments on 6<sup>th</sup> Cycle Regional Housing Needs Assessment (RHNA) sites that have been relisted or "reused" (i.e., previously identified) in the 4<sup>th</sup> or 5<sup>th</sup> Cycle Housing Elements, if the developer agrees to include 20 percent of the units as affordable for lower-income households (at less than 80 percent area median income (AMI) - i.e. total household income of less than \$97,000 for a family of four).

The 6<sup>th</sup> Cycle Housing Element includes a total of 236 RHNA sites. Of these sites, a total of 44 are relisted RHNA sites eligible for the by-right approval program (representing 1,570 housing units) located within the communities of Fallbrook (6 sites with 193 units), Lakeside (1 site with 11 units), North County Metro Escondido Island (5 sites with 86 units) and Buena Creek (21 sites with 1,046 units), Ramona (5 sites with 103 units), and County Islands Lincoln Acres (6 sites with 131 units). The remaining 192 RHNA sites are not required to be processed by-right under AB 1397.

All relisted RHNA sites are located outside very high fire hazard severity zones and within VMT efficient areas using the unincorporated average as directed by the Board on April 7, 2021 (1). Nine of the relisted RHNA sites (279 units) are located within VMT efficient areas based on a regional average. The remaining 35 sites (1,291 units), are not VMT efficient under the regional average. However, if the Board directs the staff recommendation to adopt the infill areas plus the village buffer, 30 of the remaining sites would be screened out from VMT analysis for a total of 1,205 units leaving five sites, or 86 units outside of these areas.

The Board could direct reevaluation of the five remaining sites to identify alternative relisted RHNA sites that are located in either an infill, village buffer area, or a location that meets the regional average, and to exclude very high fire hazard severity zones. Staff would evaluate whether there are relisted RHNA sites available within these areas (i.e. there may not be RHNA sites from previous Housing Elements located in these areas that meet relisting criteria). In addition, identification of alternative relisted RHNA sites would require an amendment to the recently adopted 6<sup>th</sup> Cycle Housing Element Housing Element Site Inventory and re-certification by the State. State Housing and Community Development (HCD) certified the County's Housing Element on November 2, 2021. If the Board were to direct changes to the 6<sup>th</sup> Cycle RHNA Site Inventory, the County would be required to go through a re-certification process which could be lengthy (e.g. up to two years). Recertification could open up the entire Housing Element, not just the Site Inventory, for a detailed compliance review by State HCD.

A by-right approval process means that the permit process is ministerial and not subject to environmental review, including VMT. Ministerial permits cost less and are processed quicker, making it easier to build housing. For example, a building permit is a by-right or ministerial process and involves compliance with the building code. If the project meets the building code, the permit is approved. To develop a by-right program, changes to the County code would be needed to allow certain permits to be approved by-right. The process of making changes to the County code to establish a by-right program would require environmental review itself. There are also limitations on the development of a by-right program. State law requires a subdivision map for the creation of any lots or condominiums, which is a discretionary process subject to CEQA. This would limit a potential by-right program by preventing the development of homes for sale and only allowing the development of apartments or rental units. Site Plans are discretionary permits subject to environmental review that require design review, however they could be made ministerial or by-right through objective design standards like requiring a residential building to include at least two building materials like wood or stucco. Site Plans are typically required for apartment buildings and focus on architectural design of the building, parking, and landscaping.

At the July 14, 2021 Board hearing, the Board directed staff to explore the feasibility of expanding the by-right program (Implementation Plan Item No. 3.1.1.B) to the remaining 192 RHNA Sites not required to be processed by-right under AB 1397, as well as mixed-use and commercial sites. The program would require developers to provide at least 20 percent affordable housing for lower-income families (at less than 80 percent AMI) to qualify for the by-right process. Staff is currently conducting a feasibility analysis to identify specific site criteria, such as the presence of environmental or site constraints like wetlands or sensitive or endangered species, that would inhibit a site from being eligible for the program. Options to expand the by-right program, including eligible areas and options, will be presented to the Board for further direction in 2022, separate from Board direction regarding VMT.

The Board could further expand the scope of the potential by-right program and feasibility analysis to also include VMT efficient areas that meet the regional average. This would include an additional 2,467 acres and potentially 1,082 dwelling units that could be analyzed for eligibility under a by-right program (Figure 1 in Attachment B). The Board could also expand the scope further to include infill areas and TOAs as defined under items 1 and 2 (Figure 4 in Attachment A and Figure 7a in Attachment B). The infill area options could include up to approximately 13,502 acres and approximately 2,920 dwelling units that could be analyzed for eligibility under a by-right program. The TOAs will require coordination with SANDAG to establish the boundaries, so the number of dwelling units cannot be estimated at this time.

The Board could also wait to develop a by-right program until after consideration of the Climate Action Plan (CAP) Update and Smart Growth Alternatives included in the CAP Supplemental EIR in Fall 2023, which may result in additional direction to consider changes to the County's General Plan land use map, or as part of broader consideration of land use changes through direction to consider options for a General Plan Update.

SUBJECT: UPDATE ON OPTIONS TO IMPLEMENT VEHICLE MILES

TRAVELED ANALYSIS DURING ENVIRONMENTAL REVIEW IN THE UNINCORPORATED REGION AND OPTIONS ON OTHER COUNTY PROGRAMS THAT RELATE TO VEHICLE MILES

TRAVELED AND LAND USE (DISTRICTS: ALL)

If directed now, a potential by-right program would only account for VMT and would only analyze the planned housing units in the current General Plan. It would not consider other factors that will be considered in the formulation of the Smart Growth Alternatives, or other potential land use changes to be analyzed in the CAP Update context, such as proximity to jobs, infrastructure, amenities, and future transit. A potential by-right program could be evaluated later after the Board considers the CAP Smart Growth Alternatives or sustainable land use framework discussed below that would initiative a General Plan Update, which would account for any potential increases in density. If directed now, a by-right program would not account for future changes to the General Plan or changes in density. Potential changes to the General Plan land use map are discussed below in more detail in items 6 and 12.

#### **Item 4 - By-Right Process Options**

The following options are provided related to the development of a by-right program for VMT efficient areas. The Board could direct a by-right development process for certain permit applications and/or require a minimum amount of affordable housing units to qualify for the program. The Board could also wait until consideration of the CAP Update and Smart Growth Alternatives or development of a sustainable land use framework to update the General Plan, before directing the development of a by-right program.

#### Option 4-A: Study the Feasibility of a By-Right Program for VMT Efficient Areas

Under this option, staff would prepare an analysis of VMT efficient areas to identify any environmental or site constraints that would exclude sites from program eligibility. Staff would return to the Board with the findings of the analysis and present options for different by-right programs. The analysis would involve environmental studies and evaluation because it would analyze more than VMT, including biology, air quality, and greenhouse gas emissions, among others. As a result, this option would require more time and cost to implement.

This option would take 30-36 months to implement with a one-time cost of \$500,000, which would include consultant costs to prepare an analysis of environmental constraints, including environmental studies within VMT efficient areas, and community outreach. If the Board directs implementation of this by-right option in the future, it will require additional environmental review and costs that will be part of the future Board action.

### Option 4-B: Study the Feasibility of a By-Right Program for Infill Areas and Transit Opportunity Areas (can be combined with Option 4-A)

This option includes the addition of infill areas and transit opportunity areas into the feasibility study of a by-right development program. This option could also exclude very high or high fire hazard severity zones. Staff would return to the Board within 30-36 months with the findings and options related to a by-right program. If directed, this item would include a one-time cost of \$650,000, which would include consultant costs to prepare an analysis of environmental constraints, including environmental studies within VMT efficient areas and community

outreach. The cost for Option 4-B is higher than Option 4-A because the area being analyzed is larger. If combined with Option 4-A, the total cost for both options would be \$1,000,000. If Board directs implementation of this by-right option in the future, it will require additional environmental review and costs that will be part of the future Board action.

## Option 4-C: Wait to Develop a By-Right Program until Consideration of the CAP Update and Smart Growth Alternatives (cannot be combined with Options 4-A or 4-B) (Staff Recommendation, no phase)

Under this option, the Board would wait until after consideration of the expanded RHNA byright program (currently being developed for the 192 sites not required to be part of by-right program under AB 1397), CAP Update and Smart Growth Alternatives, or other Board direction to consider options to develop a sustainable land use framework to update the General Plan, to direct any study of a by-right program. This option would not result in any additional costs at this time. At the time the Board directs the study of a by-right program, there would be additional costs identified depending on the scope of the program.

*Table 4: Item 4 – By-Right Process Options* 

Option	Pros/Cons	Cost	Timeframe
Option 4-A: Study the Feasibility of a By-Right Program for VMT Efficient Areas	<ul> <li>Streamline development</li> <li>May not align with Smart Growth Alternatives in CAP</li> </ul>	One-time cost of \$500,000 to study environmental constraints of development potential planned within VMT efficient areas to determine the feasibility of a by- right program	30-36 months to prepare the necessary environmental studies to determine feasibility and constraints
Option 4-B: Study the Feasibility of a By-Right Program for Infill Areas and Transit Opportunity Areas (can be combined with Option 4-A)	<ul> <li>Streamline development</li> <li>May not align with Smart Growth Alternatives in CAP</li> </ul>	One-time cost of \$650,000 to study environmental constraints of development potential planned within infill and TOAs to determine the feasibility of a by-right program	30-36 months to prepare the necessary environmental studies to determine feasibility and constraints

#### **SUBJECT:**

UPDATE ON OPTIONS TO IMPLEMENT VEHICLE MILES TRAVELED ANALYSIS DURING ENVIRONMENTAL REVIEW IN THE UNINCORPORATED REGION AND OPTIONS ON OTHER COUNTY PROGRAMS THAT RELATE TO VEHICLE MILES TRAVELED AND LAND USE (DISTRICTS: ALL)

Option		Pros/Cons	Cost	Timeframe
<b>Option 4-C:</b> Wait to	•	Aligns with	No additional costs	Estimated in Late
Develop a By-Right		Smart Growth	at this time – once	2023
Program until		Alternative in	by-right program is	
Consideration of the		CAP	directed, the costs	
CAP Update and			would be identified	
Smart Growth			at that time based on	
Alternatives (cannot			the scope of the	
be combined with			program	
Options 4-A or 4-B)				

#### Items 6 and 12: Opportunities for Changing Land Use Densities within VMT Efficient Areas, Development of Smart Growth Alternatives in the CAP Supplemental EIR, and Sustainable Land Use Framework for a General Plan Update

The Board directed staff to explore changes to land use densities within VMT efficient areas under item 6. Land use densities or the number of homes that are planned in the unincorporated area are established in the General Plan. The General Plan was last comprehensively updated in 2011. At the time the General Plan was adopted, VMT was not required to be analyzed under CEQA and was not used as a guiding principle in the development of the land uses or densities in the General Plan. As a result, new development is required to analyze VMT on a case-by-case basis, identify impacts and adopt mitigation measures to reduce those impacts like installing bike lanes and sidewalks, which reduce driving and vehicle trips, rather than relying on analysis contained in the General Plan EIR. Projects that cannot mitigate their VMT impacts can pursue an EIR and request a statement of overriding considerations.

Changes to land uses or densities in the General Plan require a comprehensive analysis that includes several different factors, including environmental constraints, infrastructure, and proximity to jobs and services, not just VMT. For example, an area may be VMT efficient based on its proximity to urban areas and transit but may have other constraints that limit development like biological resources, steep slopes, etc. As a result, evaluating changes to land uses or densities would be accomplished through a comprehensive analysis that factors involving more than VMT The following describes options for Board consideration and provides further information on potential land use designation and density changes.

#### Opportunities for Focused Land Use and Density Increases within VMT efficient, Infill Areas, and/or Transit Opportunity Areas

The Board could choose to consider increases in residential density, known as "up-planning," as part of the direction provided with VMT actions. Up-planning is the process of increasing densities to allow for future housing. The areas evaluated by staff as part of the VMT analysis include VMT efficient areas, infill areas, and TOAs. Up-planning would result in changes to the land use map in specific areas, in order to achieve desired development outcomes.

In general, the greater the extent of changes to the land use map required (i.e., the larger the geographic region), the longer the timeframe, more extensive the environmental analysis, community outreach, and more complex the planning process that would be required. If the Board were to direct an update to the General Plan that is focused on a smaller number of communities in which to increase land use densities solely based on the analysis related to VMT, the effort may require more limited up-planning or other changes to the land use map to support the desired development outcomes such as mixed-uses and additional opportunities for new housing types (e.g., townhomes and condominiums) in areas located near existing and future transit infrastructure. The effort would require additional environmental analysis prior to implementation and may require changes to the County's Zoning Ordinance to establish a regulatory framework that can achieve alignment across the General Plan land use map and County Zoning Ordinance, which regulates development.

While the Board can direct an update to the General Plan that increases land use densities solely within VMT efficient areas, this may preclude other analysis needed to ensure complete and sustainable communities such as open space and recreation, provision of service infrastructure, and other amenities including commercial activity and social services.

#### Development of Smart Growth Alternatives and Overlays based on Climate Action Plan Supplemental EIR

Staff is currently preparing a CAP Update and Supplemental EIR that is anticipated to be heard by the Board in late 2023. The Board must consider whether to adopt the CAP Update and certify the Supplemental EIR as required by the Court of Appeals decision in *Golden Door Properties, LLC v. County of San Diego* (2020) 50 Cal.App.5th 467. As part of the CAP Update, staff is preparing alternatives that will be considered by the Board, which include policy changes, various combinations of CAP measures that achieve the GHG emissions targets, and consideration of Smart Growth Alternatives that are intended to significantly reduce VMT. Adoption of a Smart Growth Alternative is optional. If the Board adopts a Smart Growth Alternative as part of the CAP Update in late 2023, additional actions to then implement the Smart Growth Alternative would commence and these could include an update to the General Plan to change land use densities or the adoption of overlays to indicate where growth is preferred to occur.

During the CAP Update meetings, the Board would be asked to identify a community, or communities within which to focus smart growth programs and incentives that could achieve significant VMT reductions as compared to the currently adopted 2011 General Plan land use map. The selection of Smart Growth Alternatives requires the identification of areas within the unincorporated area that could be considered "smart" places for new development for reasons including, but not limited to, compact, efficient, and environmentally friendly design that is achievable; proximity to job centers, services, amenities and infrastructure (e.g., roads, water, sewer); and/or presence of existing or planned future transit infrastructure (e.g., sidewalks, bike lanes, bus service, new transit service). Specifically, smart growth planning in the unincorporated area could consider constraints like fire hazard areas, availability of water, and consistency with the SANDAG RTP. An overlay zone would be used to designate those properties that the Board

identifies as smart growth opportunity areas, and the overlay zone areas would be eligible for future programs or process improvements that would incentivize residential, commercial, and mixed-use growth within the smart growth boundary. Adoption of a Smart Growth Alternative and subsequent actions could provide the basis for a focused or comprehensive General Plan Update and would also provide principles centered around VMT reduction by which to guide future land use changes. The CAP Update and Smart Growth Alternatives are anticipated to be considered by the Board at the end of 2023 and based on Board direction at the time, any work on the directed overlays would commence then.

#### Sustainable Land Use Framework for a General Plan Update

Prior to embarking on a focused or comprehensive General Plan Update that results in changes to land uses and densities, staff recommends additional best practices research, an environmental constraints analysis, community visioning outreach, and Board policy direction on principles to guide future land use decisions. These items could be accomplished through the development of a Sustainable Land Use Framework as part of a comprehensive General Plan Update that includes the entire unincorporated area (or focused areas if the Board prefers). Development of a Sustainable Land Use Framework would include options that identify areas suitable for sustainable development, the preparation of principles of sustainable development that will guide future land use decisions, and recommendations on planning implementation. A Sustainable Land Use Framework could identify other priorities above and beyond VMT reductions, including priority development areas near existing communities and employment centers within the unincorporated area that are located outside of VMT efficient areas.

A Sustainable Land Use Framework would provide greater flexibility than the Smart Growth Alternatives in consideration of other aspects of sustainability, besides VMT reduction potential. Rather than narrowing the priority development areas to those communities which could demonstrate VMT reductions as ordered by the Appellate Court, it instead allows for a comprehensive evaluation of all unincorporated communities for other applicable sustainability contexts including economic, social, and environmental areas. A Sustainable Land Use Framework would also evaluate availability of services (i.e. infrastructure, amenities and social services to support quality of life in areas planned for increased residential density and commercial uses), focus on economic development opportunities, and/or focused land use changes as needed to implement stated principles.

Development of a Sustainable Land Use Framework would allow staff to bring forward principles for the Board's consideration to initiate a General Plan Update that could incentivize mixed-use commercial, residential and supportive economic development programs prior to late 2023 when action on the CAP Update and accompanying Smart Growth Alternatives is scheduled to take place. Depending on Board direction, the scope of the General Plan Update would dictate the timeframe for completion of land use and density changes. If up-planning and down-planning across the entire unincorporated area were directed, timeframes, outreach, and subsequent planning actions would be more extensive due to the application across the unincorporated area and would take more time and require more staff and resources. Additionally, changes to the land

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use map of this extent would likely require changes to other aspects of the General Plan, including the Mobility and Conservation and Open Space Elements, in order to bring those elements into consistency. A new programmatic analysis of all land use changes and the potential environmental impacts from those changes would also be required. In a comprehensive General Plan Update, the analysis of environmental impacts is at a high-level for the entire unincorporated area, which provides a limited opportunity to create ministerial CEQA streamlining benefits for new development. However, additional focus areas could be considered if there were specific areas the Board is interested in promoting growth. This type of General Plan Update would take approximately four to five years from the time of Board direction.

#### **Item 6 - Land Use Options**

As identified in Table 1, under the current General Plan, there are a total of 1,082 housing units planned within VMT efficient areas using a regional VMT average. As part of the analysis for identifying infill areas and TOAs, staff identified additional areas that could be screened out from VMT analysis. The following are options on how the County can move forward with changes to land use densities within VMT efficient areas, infill areas, and TOAs:

#### Option 6-A: Develop Options to Increase Density within VMT Efficient Areas

Under this option, staff would conduct additional analysis and develop potential options to increase densities within VMT efficient areas based on a Regional VMT average. The analysis would include factors such as services (sewer, water, fire), environmental and physical constraints (steep slopes, biology, fire hazards), and infrastructure (roads). Staff would return to the Board and present the potential options for density changes within VMT efficient areas. This option would take approximately 30-36 months with a one-time cost of \$1,000,000. If Board directs implementation of this density option in the future, it will require additional environmental review and costs that will be part of the future Board action.

### Option 6-B: Develop Options to Increase Density within Infill and Transit Opportunity Areas (TOAs) (could be combined with Option 6-A)

Under this option, staff would conduct additional analysis of potential density changes within infill areas and TOAs. The analysis would include the same factors as above and would be in addition to the potential options developed for VMT efficient areas. During consideration of the CAP Update and Supplemental EIR, this option could be directed if the Board choses to adopt a Smart Growth Alterative. If directed now, this option would take approximately 30 to 36 months with a one-time cost of \$1,000,000 for consultant and staff time to prepare analysis of environmental and infrastructure constraints to develop density options. If combined with Option 6-A, the total cost of both options would be \$2,000,000. The cost of the two options would be additive because this option would increase the size of the area to be studied from 2,467 acres (VMT efficient under a regional average) up to 64,838 acres under the largest infill area option (infill plus buffer). If Board directs implementation of this density option in the future, it will require additional environmental review and costs that will be part of the future Board action.

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## Option 6-C: Wait to Develop Options to Increase Density until Consideration of the CAP Update and Smart Growth Alternatives (cannot be combined with Options 6-A or 6-B) Under this option, the Board would wait until after consideration of the CAP and Smart Growth Alternatives to direct any study of density increases or decreases. This option would not result in any additional costs at this time.

### Option 6-D: Direct Staff to Return with Options for a Sustainable Land Use Framework (Staff Recommendation, Phase 1)

Under this option, the Board would direct staff to prepare options to inform the development of a sustainable land use framework and return to the Board within 120 days for consideration and further direction. Options would include the following: identification of principles for sustainable development that could inform future land use decisions; and comparison of planning mechanisms to implement Board directed principles, including zoning overlays, specific plans, community plan updates, or a general plan update.

*Table 5: Item 6 – Land Use Options* 

Option	Pros/Cons	Cost	Timeframe
Option 6-A: Develop Options to Increase Density within VMT Efficient Areas	<ul> <li>Additional housing opportunities</li> <li>May not align with Smart Growth Alternatives in CAP</li> </ul>	One-time cost of \$1,000,000 to conduct outreach, prepare infrastructure and feasibility studies, and to develop different density options	30-36 months to prepare the various infrastructure and environmental studies to develop different density options
Option 6-B: Develop Options to Increase Density within Infill and Transit Opportunity Areas (TOAs) (could be combined with Option 6-A)	Same as above	One-time cost of \$1,000,000 to conduct outreach, prepare infrastructure and feasibility studies, and to develop different density options	30-36 months to prepare the various infrastructure and environmental studies to develop different density options
Option 6-C: Wait to Develop Options to Increase Density until Consideration of the CAP Update and Smart Growth Alternatives (cannot	Aligns with     Smart Growth     Alternative in     CAP	No additional costs at this time	Estimated in late 2023 when the CAP is presented to the Board

Option	Pros/Cons	Cost	Timeframe
be combined with			
Options 6-A or 6-B)			
Option 6-D: Direct Staff to Return with Options for a Sustainable Land Use Framework	<ul> <li>Additional housing and development opportunities</li> <li>Lead to General Plan Update</li> <li>Longer</li> </ul>	\$365,000 to prepare a framework that includes principles to develop a General Plan Update, including implementation	Return to the Board within 120 days for consideration and additional direction.
	timeframe	measures	

#### **Category B: Opportunities for VMT Mitigation (Item 3)**

The changes to the CEQA guidelines associated with SB 743 went into effect on July 1, 2020. Several jurisdictions throughout the state are currently in the process of developing VMT mitigation programs to allow new development to mitigate their VMT impacts. Presently, only one jurisdiction within the region, the City of San Diego, has adopted and implemented a VMT Mitigation Program.

The City of San Diego (City) adopted their Active Transportation In-Lieu Fee Program (ATILFP) in November 2020. The City collects fees from new development projects with a VMT related impact and invests that revenue into VMT reducing infrastructure (bike facilities, sidewalks and paths, transit service, and micro-mobility such as bike-share and scooter sharing) in the areas of the City that have the highest densities (urban areas) and where the infrastructure will be the most effective. This allows new development located outside the most urban areas to mitigate their VMT related impacts through multi-modal infrastructure implemented within the most effective areas in the City. Therefore, the program results in lower costs to mitigate the impacts of new development, as well as additional investment in multi-model infrastructure where it is the most needed. The program includes a fee of \$1,400 per mile to mitigate their impact. For example, if a project needed to reduce VMT by 10 miles, the cost would be \$14,000 (10 miles x \$1,400).

The cities of Chula Vista, Encinitas, and San Marcos are in the process of developing VMT Mitigation Programs; however, none have adopted a fee program yet. Additionally, other agencies around the state are investigating different VMT Mitigation Programs, including Los Angeles Department of Transportation (LADOT) and Los Angeles County Metropolitan Transportation (LA Metro), Western Riverside Council of Governments (WRCOG), Metropolitan Transportation Commission (MTC) in the San Francisco Bay Area, and Contra Costa County. These jurisdictions have not released a draft program.

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#### **VMT Mitigation in the Unincorporated Area**

The cost to reduce one mile of VMT within the unincorporated area is estimated to be between \$10,000 and \$19,000 per mile. The details of this analysis are provided in Attachment C – *Programmatic VMT Mitigation Alternatives with Hypothetical Costs.* VMT reducing infrastructure like bike lanes and sidewalks are more effective in high density urban areas near transit services. Multi-modal infrastructure implemented in areas such as Downtown San Diego, North Park, and Uptown areas in the city of San Diego would reduce a greater amount of VMT than the same infrastructure would in suburban areas such as Lakeside, Spring Valley, and Fallbrook. Therefore, even though the cost to implement VMT reducing infrastructure is similar within both area types, the infrastructure located within the urban areas may be 10 times more effective at reducing VMT in an urban area. As such, the cost to reduce VMT is substantially less in more urban areas.

#### **Transportation Demand Management (TDM)**

Strategies that reduce single occupant automobile trips or reduce travel distances are called Transportation Demand Management (TDM) strategies. A TDM Program requires new development projects to incorporate TDM strategies such as supporting telecommuting, walking, carshare, shuttles, and other options that reduce single occupant vehicle trips. TDM measures reduce VMT; however, the reductions are limited and likely would not fully mitigate VMT impacts on their own. TDM measures could be considered along with a VMT mitigation program. TDM measures have been required for previous development projects in the unincorporated area and included developer funded shuttle services to reduce overall vehicle trips.

#### **Item 3 – VMT Mitigation Program Options**

The following options are provided for the Board's consideration on how the County can move forward in implementing a VMT Mitigation Program.

### Option 3-A: Work with SANDAG, MTS and NCTD to Develop a Regional VMT Mitigation Program (Staff Recommendation, Phase 2)

The County could work with SANDAG, MTS, and NCTD to develop a regional VMT Mitigation Program that will help to fund the multi-modal infrastructure identified within the 2021 RTP and reduce VMT throughout the region rather than only in the unincorporated area. A regional VMT mitigation program will allow new development within the unincorporated area of the county to get VMT credit from helping build regional infrastructure such as new transit lines and services as well as multi-modal infrastructure that is being implemented within VMT efficient areas. Additionally, the 2021 RTP identified that implementation would result in a 14.1 percent reduction in the region's VMT per capita by 2050. This in conjunction with other localized improvements, such as transportation demand management (TDM), may be sufficient to reduce VMT related impacts within the unincorporated area. TDM includes strategies intended to provide commuters with additional choices like ridesharing to decrease the overall number of vehicle trips. The program could allow developers to opt in or out of the program. If a developer chooses to opt out of the program, they would still be required to identify all feasible mitigation to reduce their VMT impacts.

Additionally, if the County works with SANDAG, MTS, and NCTD in the development of a Regional VMT Mitigation Program, it can help to develop the process in which regional multimodal infrastructure is prioritized and implemented. This may help to ensure that additional transit services and other regional VMT reducing infrastructure included in the program, will be implemented within the unincorporated area. Development of a Regional VMT Mitigation Program would not preclude the County from utilizing a portion of the VMT mitigation fees collected to reduce VMT within the unincorporated area or establishing a TDM Mitigation Program and could work in unison. By establishing a VMT Mitigation program that does both, projects could get higher VMT reductions by including the region as well as local VMT reductions in the unincorporated area.

Finally, the County, SANDAG, MTS, and NCTD could pursue Caltrans Partnership Grants, which provide funding for the development and implementation of a Regional VMT Mitigation Program as well as the environmental analysis, which will include the preparation of an EIR. County and SANDAG staff have discussed this opportunity and have identified the 2022/2023 grant cycle as a potential timeframe to pursue funding for the EIR. If VMT impacts cannot be fully mitigated through the program, a statement of overriding considerations would be required as part of the EIR. This option would take approximately 24 to 36 months to implement with a one-time cost of \$750,000. If combined with Option 2-A, the combined cost would be \$1,250,000.

## Option 3-B: Work with the City of San Diego and/or Other Local Jurisdictions to Develop a Joint Program or Join an Existing Program like the City Program (<u>Staff Recommendation</u>, <u>Phase 2</u>)

As noted, the City of San Diego has adopted a VMT Mitigation Program, with a fee rate of \$1,400 per mile. This is substantially lower than the projected cost of \$10,000 and \$19,000 per VMT that is anticipated within the unincorporated area. The City of San Diego has a higher population and network capacity within its urban areas to accommodate additional VMT reducing infrastructure. As an alternative to a regional program with SANDAG, the County could work with the City of San Diego to either expand its program into the unincorporated area or develop a hybrid program where new development in the unincorporated area could mitigate a portion of their VMT related impacts in the unincorporated area and mitigate the remaining portion within the City of San Diego. This approach would allow new development within the unincorporated area to mitigate VMT impacts.

Staff could partner with the City of San Diego to pursue a Caltrans Sustainability Grant. The grant could fund the development and implementation of the program. During the outreach process for the City's ATILFP, County and City staff had preliminary discussions about the potential of a joint program or allowing new development within the unincorporated area to participate in the ATLIFP, and there was initial interest from City staff in the concept. PDS would also work and partner with transit providers like the Metropolitan Transit System (MTS)

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and North County Transit District (NCTD) to improve transit access and potential incentives to increase ridership within the unincorporated area.

This approach will likely require the preparation of an EIR because the County may not be able to ensure that the funded VMT mitigation projects are completed prior to or concurrently with a development project because they are located outside of our jurisdiction, and the City may ultimately decide where and how the funds are spent. If VMT impacts cannot be fully mitigated through the program, a statement of overriding considerations would be required. This option would take approximately 24 to 36 months to implement with a one-time cost of \$750,000, which includes staff and consultant time to prepare the environmental analysis and nexus study to establish a free program. If combined with Option 3-A and/or 2-A, the combined cost would be \$1,250,000.

#### **Option 3-C: Develop a County Specific VMT Mitigation Program**

Under this option, the County would develop its own localized VMT Mitigation Program. The cost to fully mitigate VMT impacts within the unincorporated area may not be financially feasible for most new development projects, and the County may not have the VMT reducing capacity to fully mitigate VMT related impacts associated with all new development within the unincorporated area. As such, under this approach the County would prepare an EIR to disclose the VMT impacts associated with new development, identify the VMT Mitigation Program as partial mitigation for the impacts, disclose that the mitigation would not be sufficient to fully mitigate all VMT related impacts, and therefore, VMT related impacts associated with new development would be significant and unavoidable. A statement of overriding considerations would be required to approve these projects.

The County could pursue a Caltrans Sustainable Communities Grant to assist with the funding for the development of the fee program and the EIR. However, because it is anticipated that the County would not be able to fully mitigate its VMT related impacts through the program, it may not be as competitive for grant funding as other efforts. This option would take approximately 24 to 36 months to implement with a one-time cost of \$500,000, which includes staff and consultant time to prepare the environmental analysis and nexus study to establish a fee program.

*Table 6: Item 3 – VMT Mitigation Program Options* 

Option	Pros/Cons	Cost	Timeframe
Option 3-A: Work	<ul> <li>More VMT</li> </ul>	One-time cost of	24-36 months to
with SANDAG,	reducing projects	\$750,000 for	prepare the VMT
MTS and NCTD to	with higher	preparation of VMT	mitigation program,
Develop a Regional	reductions	mitigation program,	nexus study, and
VMT Mitigation	<ul> <li>VMT funds may</li> </ul>	programmatic EIR	EIR
Program	be used outside	and nexus study for	
	of	VMT mitigation fee	

Option	Pros/Cons	Cost	Timeframe
	<ul><li>unincorporated area</li><li>County may not decide where the funds are used</li></ul>		
Option 3-B: Work with the City of San Diego and/or Other Local Jurisdictions to Develop a Joint Program or Join an Existing Program like the City Program	Same as above	One-time cost of \$750,000 for preparation of VMT mitigation program, programmatic EIR and nexus study for VMT mitigation fee	24-36 months to prepare the VMT mitigation program, nexus study, and EIR
Option 3-C: Develop a County Specific VMT Mitigation Program	<ul> <li>Less VMT reducing projects with lower VMT reductions</li> <li>Funds used in unincorporated area</li> <li>County decides where funds are used</li> <li>May not be able to fully mitigate due to the high costs</li> </ul>	One-time cost of \$500,000 for preparation of VMT mitigation program, programmatic EIR and nexus study for VMT mitigation fee	24-36 months to prepare the VMT mitigation program, nexus study, and EIR

Additional information and items to consider on the options are included in Attachment C–County of San Diego - Programmatic VMT Mitigation Options.

## Category C: Opportunities to Prepare a Revised Transportation Study Guide (Items 5,7,8,9,10,11, and 13)

The Board can direct staff to prepare a revised Transportation Study Guide (TSG) using a regional geography to establish VMT thresholds and return to the Board for adoption. If directed, staff would update the TSG based on a regional average, place the TSG out for public review and comment, and return to the Board for consideration and adoption. This option would take approximately six months with a one-time cost of \$100,000, which includes staff and consultant

time to prepare a revised TSG based on a regional average, advertise it for public review, conduct outreach and return to the Board for consideration and adoption.

The Board also directed staff to explore a phased-in timeline for adopting a Revised TSG, which would include adoption of a revised guide until the environmental review is completed for any other items (infill areas, transit opportunity areas, and VMT mitigation programs). Once the environmental review is completed, staff would bring forward future updates to the TSG for the additional items. In the interim, the Board could allow projects located within infill areas or transit opportunity areas to proceed with an EIR and request a statement of overriding considerations for VMT using its location within an infill area or TOA as the rationale for the overriding considerations (unless the Board also adopts screening criteria for these areas as discussed above).

As part of the adoption of a revised TSG, staff have identified options for screening projects out of VMT analysis based on State guidance from OPR, as well as staff's additional analysis related to affordable housing projects. These options include adopting the 110 average daily trip (ADT) screening criteria recommended by OPR for small projects, which was included in the original TSG.

There were concerns raised by environmental stakeholders regarding the 110 ADT screening criteria and that it would allow the majority of proposed development projects to move forward without VMT analysis. The 110 ADT equates to approximately 11 single family homes. Staff analyzed the potential impact of adopting the 110 ADT screening criteria recommended by OPR and determined that it could potentially allow approximately 6 percent of the overall number of homes allowed under the General Plan to move forward without VMT analysis based on past development approvals in the unincorporated area. This estimate is based on the overall number of homes approved within the unincorporated area (7,806) and the number of homes approved through projects that included 11 or fewer homes (455 homes), which would have been screened out of VMT analysis. This equates to approximately 6 percent of the overall number of homes approved within the unincorporated area since 2011. If that 6 percent is applied to the remaining General Plan housing capacity within the unincorporated area (58,092 homes), staff estimates a total of 3,200 homes would be screened out from VMT analysis if the small project screening criteria is adopted (110 ADT). There is a potential for an increase in smaller projects (less than 11 single family homes) due to their ability to be screened out from VMT analysis, but it is difficult to estimate the number.

#### Items 5 and 13: Affordable Housing

The OPR Technical Advisory on Evaluating Transportation Impacts in CEQA (December 2018) offers recommendations to screen affordable housing, indicating that it is presumed to have a less than significant transportation VMT impact for a 100 percent affordable residential development (or the residential component of a mixed-use development). Lead agencies may develop their own presumption of a less than significant impact for residential projects (or residential portions of

mixed-use projects) containing a particular amount of affordable housing, based on local circumstances and evidence.

County staff and the consultant team evaluated affordable housing trip generation using available data sources and County specific data collection at three affordable housing developments in Fallbrook and Spring Valley, to evaluate whether affordable housing in the unincorporated area generates fewer trips than market-rate housing. If affordable housing generates less traffic than market rate housing, then it also generates less VMT than market rate units in the same location.

Data review was conducted looking at various studies, literature, and data sources used by other jurisdictions and professional organizations, including the Institute of Traffic Engineers (ITE) most recent Trip Generation Manual, to understand trip generation characteristics for affordable housing projects. A comprehensive comparison of daily trip generation rates across the various data sources was compared to surveys and data collected for affordable housing projects located within the unincorporated area. The review of the data suggests that the ITE Trip Generation rates for affordable housing reasonably represent the data collected for the developments in the unincorporated area. Therefore, the ITE Trip Generation rates were used to generally represent 100 percent affordable housing projects in the unincorporated area.

Staff then used these trip rates to evaluate screening options for VMT. The daily trip generation rates from the ITE Trip Generation Manual for market rate multi-family housing and affordable housing were used to develop a ratio of affordable housing that would continue to generate fewer trips than a market rate multi-family housing project. This approach was used to expand the screening beyond 100 percent affordable projects in infill areas.

Analyzing this blend of affordable and market rate housing and applying VMT trip lengths consistent with 15 percent below the regional average or within the identified infill areas, it was determined projects that are located in an infill area that are at least 52 percent affordable will result in a "blended" market rate/affordable trip generation rate that is 15 percent below a typical 100 percent market rate multi-family development's daily trip generation. This equates to projects providing at least 52 percent affordable housing in infill areas to be screened out of VMT analysis.

#### **Item 10: In-Process Projects**

As of January 2022, PDS is processing 28 residential projects that include a total of 1,498 housing units that are subject to VMT analysis. Of the 28 residential projects, 26 are consistent with the General Plan, and 2 projects include General Plan Amendments. None of the 28 projects are located within VMT efficient areas based on a regional average. Four projects are located within infill areas (no buffer) that include 134 housing units. There are approximately three projects with a total of 71 housing units located within the infill plus village buffer areas. There are approximately 7 to 13 projects, depending on the options directed, with a total of 1,160 to 1,445 housing units that have significant unavoidable impacts from VMT that will require a statement of overriding considerations until such time as a VMT mitigation program is available. One project

is a General Plan Amendment application in the North Mountain Subregional Plan area that makes up approximately 47% of the overall number of units that have significant unavoidable impacts from VMT.

Of the 30 residential projects in process, 17 projects are relying on the adopted small project threshold of 110 ADT, which include a total of 62 housing units. Not including the small project screening criteria in a revised TSG will impact the 17 in-process projects that are currently relying on the 110 ADT.

## Exceptions for Other Types of Projects (agricultural, renewable energy, wineries, etc.)

Residential and Employment projects are not the only projects subject to VMT analysis. Any project that is subject to CEQA is subject to VMT and is required to analyze potential transportation impacts. VMT does not recognize that certain types of land development projects are location-specific like agriculture, and therefore not typically located in VMT efficient areas. As a result, these project types primarily rely on the small project screening criteria of 110 ADT to move forward. This can become challenging for a variety of unique project types that are common in rural locations, such as farms, agricultural tourism, renewable energy, wineries, regional parks, campgrounds, mining operations, special event facilities, and cemeteries. OPR included an option to allow projects to conduct a qualitative analysis, which is an analysis that does not use or rely on traffic modeling and explains why a specific project does not have significant VMT impacts using factors such as availability of transit and proximity to other destinations. Projects can continue to use a qualitative approach as well as small project screening criteria (110 ADT) and location-based screening if directed by the Board (infill areas, VMT efficient areas, and TOAs).

#### **Item 8: State Guidance and Other Jurisdictions**

Staff continue to monitor and track State guidance related to VMT and are currently participating in a statewide working group with OPR, Caltrans, and other agencies and stakeholder groups on SB 743 implementation. The purpose of this SB 743 Implementation Working Group is to provide stakeholders from the public, private, and non-governmental sectors a collaborative opportunity to contribute to the advancement of the State's climate, health and mobility goals through successful implementation of SB 743.

County staff are also engaged with SANDAG and have regularly scheduled monthly meetings to discuss SANDAG's RTP and areas of alignment with County policies, programs, and plans. Staff have prepared a table based on best practices research of all 58 counties in the state and how they are implementing SB 743, as well as all 18 jurisdictions in San Diego County. Staff will continue to monitor and update our best practices research related to implementation of SB 743 to ensure that our approach aligns with the State goals of reducing VMT and greenhouse gas emissions. Attachment E - *Benchmarking Matrix*.

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## **Item 11: Local Mobility Analysis (Level of Service)**

SB 743 preserves local government authority to make planning decisions to identify circulation and access deficiencies that may require improvements to ensure road users' safety and to reduce traffic congestion. Local General Plan policies and the application of such policies related to transportation and circulation remain unchanged by SB 743, and SB 743 allows local jurisdictions to use Level of Service (LOS) for non-CEQA planning purposes to measure road users' delay and road congestion.

The County's 2011 General Plan Update included a revised Mobility Element. The Mobility Element contains County goals and policies that address safe and efficient traffic operations, as well as maintenance and management of the transportation network. If a GPA is directed to revise the policy, staff would also evaluate the impacts to the Mobility Element as a result of removing the policy. This effort could also be part of a General Plan Update and not a separate GPA. A GPA to remove the policy would require an EIR and would take approximately 30-36 months. In the interim, staff could continue to evaluate level of service, but reduced from the previous type of traffic analysis done based on Level of Service prior to the implementation of SB 743. The Mobility Element identifies roads that are planned to be widened and improved in the future. In some cases, the Mobility Element identifies roads to be widened from 2-lanes to 4-lanes and 6lanes. If the LOS policy is removed, the Mobility Element would need to be evaluated to determine if the planned road widening needs to be removed. In some cases, the County may have to accept roads at failing LOS if no further road widening is planned, which was done for approximately 38 County roads during the General Plan Update in 2011. This option would also require an Environmental Impact Report (EIR) and would be included as part of any other items that require an EIR.

SB 743 does not address LOS or traffic congestion and instead analyzes the distance people are driving. While LOS can no longer be used as a basis for determining transportation impacts under CEQA, the County may retain LOS for local traffic analysis as part of a comprehensive approach for both CEQA VMT analysis and Local Mobility Analysis (LMA) of discretionary/entitlement projects. An LMA is used to ensure orderly development, public safety, adequate infrastructure, and consistency with Public Road Standards. The County can still require LOS analysis and condition project improvements to accommodate project traffic based on the County's local government authority to make planning decisions and implement General Plan policies and goals even though SB 743 and VMT do not require it.

The intent of the LMA is to provide a balanced approach, considering the objectives of VMT, but also addressing local circulation needs and safety. The LMA relies on road operations and safety, complete streets, access management, and active transportation when determining road improvements. The LMA would be reduced from the previous type of traffic analysis done based on Level of Service prior to the implementation of SB 743 in that the area evaluated is limited to a few intersections around the project with the primary focus of safety and not traffic. The LMA studies the traffic effects from projects to road intersections in the vicinity of the project where the

flow of traffic could impact communities. The number of intersections to be analyzed would be determined by the project size using a sliding scale. Large land use projects will be required to evaluate a road capacity analysis on a case-by-case basis to limit travel demand associated with project-related road improvements that may increase road capacity.

### Traffic Safety - Local Road Safety Plan

Safety remains a CEQA-level significant traffic impact criteria that all traffic generating projects must continue to address in their environmental analysis. Potential traffic safety impacts related to walking and biking are often the primary concern for communities and neighboring residents when evaluating proposed development projects. The County is committed to improving the transportation system to enhance the safety of all road users. As part of this effort, a Local Roadway Safety Plan (LRSP) has been developed by the Department of Public Works. The LRSP provides a framework for analyzing, identifying, and prioritizing road safety improvements to reduce severe injury and fatal collisions. The LMA also provides a mechanism to implement and incorporate LRSP into the discretionary permit process and help ensure that private development projects address their potential road users' safety and traffic operations impacts to local roads. The draft LRSP will go to the Board for consideration in mid-2022.

The California Department of Transportation (Caltrans) recently provided additional guidance as part of an update to their Transportation Impact Study Guide (TISG) for requesting transportation impact analysis that is not based on VMT. The guidance includes a simplified safety analysis that focuses on pedestrian and bike safety as well as road and driveway access. Caltrans recommends in their *Traffic Safety Bulletin: Interim Local Development Intergovernmental Review Safety Review Practitioners Guidance* for local agencies to use similar approaches, specifically Local Roadway Safety Plans (LRSPs), Systemic Safety Analysis Reports (SSARs), and Vision Zero plans, as models for safety analysis of the local transportation network. These plans are developed by jurisdictions to address road safety needs and are required to be eligible for the State administered Highways Safety Improvement Program (HSIP), which is a federal-aid program to states for the purpose of achieving a significant reduction in injuries on all public roads. As part of the best practices research, most jurisdictions around the state continue to utilize Level of Service (LOS) or safety for traffic analysis outside of CEQA.

## Items 7 through 11 – Revised TSG

The following options are provided on how the County can move forward with adoption of a revised TSG for VMT. The Board could direct preparation of a revised TSG and provide direction on future items to include in the TSG once environmental review is completed. The Board could also wait to adopt a revised TSG after environmental review is completed and projects would continue to be evaluated on a case-by-case basis until a revised TSG is adopted. Options F & G regarding an LMA will require a General Plan Amendment to the Mobility Element to remove Level of Service (LOS), as it is identified as one of the County goals and policies that addresses efficient traffic operations as well as maintenance and management of the transportation network.

#### **SUBJECT:**

UPDATE ON OPTIONS TO IMPLEMENT VEHICLE MILES TRAVELED ANALYSIS DURING ENVIRONMENTAL REVIEW IN THE UNINCORPORATED REGION AND OPTIONS ON OTHER COUNTY PROGRAMS THAT RELATE TO VEHICLE MILES TRAVELED AND LAND USE (DISTRICTS: ALL)

## Option 7-A: Prepare a Revised TSG using a Regional Geography (Staff Recommendation, Phase 1)

Staff would prepare a revised TSG using a regional average, advertise the revised TSG for public review, then return to the Board for consideration and adoption. This option would take up to six months with a one-time cost of approximately \$100,000, which includes staff and consultant time to prepare a revised TSG based on a regional average, advertise it for public review, conduct outreach and return to the Board for consideration and adoption.

## Option 7-B: Adopt the 110 ADT Small Project Screening Criteria (can be combined with Option 7-A) (*Staff Recommendation*, *Phase 1*)

Staff would include the OPR recommended small project screening criteria of 110 ADT. This would allow projects that include 11 single family homes or fewer to move forward without VMT analysis. If this option is combined with Option 7-A, there would be no additional cost or time.

## Options 7-C: Adopt OPR Recommendation to Screen Out Projects with 100 Percent Affordable Housing (Staff Recommendation, Phase 1)

Adopt OPR screening language and allow projects with 100 percent affordable housing projects to be screened out from VMT analysis, regardless of their location. This option was included in the previous TSG. If this option is combined with Option 7-A, there would be no additional cost or time.

## Option 7-D: Adopt Additional Screening for Projects with at least 52 Percent Affordable Housing in Infill Areas (can be combined with Option 7-C) (Staff Recommendation if Option 1-A is not selected, Phase 1)

Allow projects that have at least 52 percent affordable housing in infill areas to be screened out based on the evidence prepared in Attachment A - Technical Memorandum, Infill Opportunity Areas in unincorporated San Diego County. This option would apply within infill areas only and would not screen out projects with 52 percent affordable housing if they are proposed outside of infill areas. For projects outside of infill areas, they could be screened out if they have 100 percent affordable housing based on Option 7-C. For example, a housing project proposed in Pine Valley (outside of the infill areas) would be screened out from VMT if it included 100 percent affordable housing, but the project would not be screened out from VMT if it included less than 100 percent affordable housing. If Option 1-A is chosen to adopt one of the infill area options, it will screen out projects within infill areas and allow those projects to proceed without VMT analysis even if they do not include affordable housing. If the Board does not choose Option 1-A, this option (7-D) could be directed instead and would allow projects to be screened out within infill areas, but the projects within infill areas must include at least 52 percent affordable housing units. Regardless of the option chosen, projects can reduce their overall VMT by including affordable housing units instead of market rate units because the number of trips for affordable housing is lower than market rate housing. If this option is combined with Option 7-A, there would be no additional cost or time.

## SUBJECT: UPDATE ON OPTIONS TO IMPLEMENT VEHICLE MILES

TRAVELED ANALYSIS DURING ENVIRONMENTAL REVIEW IN THE UNINCORPORATED REGION AND OPTIONS ON OTHER COUNTY PROGRAMS THAT RELATE TO VEHICLE MILES TRAVELED AND LAND USE (DISTRICTS: ALL)

## Option 7-E: Require an LMA (cannot be combined with Option 7-F or 7-G) (Staff Recommendation, Phase 1)

Require an LMA for discretionary projects. The LMA would be used to evaluate road operations, safety, and access that has been reduced from the previous type of traffic analysis done based on Level of Service prior to the implementation of SB 743 in that the area evaluated is limited to a few intersections around the project with the primary focus of safety and not traffic. If this option is combined with Option 7-A, there would be no additional cost or time.

## Option 7-F: Require an LMA for Safety Only (cannot be combined with Option 7-E or 7-G)

Remove LOS from the LMA as a metric for analyzing traffic but continue to perform safety analysis. This option would require an amendment to the General Plan to revise a policy in the General Plan that requires projects to analyze traffic congestion based on LOS. The General Plan Amendment could be done along with a Programmatic EIR if directed under the other options within approximately 30-36 months.

## Option 7-G: Do not Require an LMA Analysis (cannot be combined with Option 7-E or 7-F)

No longer conduct any traffic analysis other than VMT. Under this option, staff would still evaluate potential safety issues and require that projects address them on a project-by-project basis, but the County would not have an LMA Analysis. Without an LMA analysis, projects would no longer provide improvements to local roads based on the amount of traffic added or safety issues. This option would also require a General Plan Amendment, which could be done along with a Programmatic EIR if directed under the other options within approximately 30-36 months.

Table 7: Items 7 through 11 – Revised TSG Options

Option	Pros/Cons		Cost	Timeframe
Option 7-A: Prepare	•	Consistent with	One-time cost of	6 months to prepare
a Revised TSG		OPR	\$100,000 to prepare	the updated TSG,
using a Regional	•	Limited VMT	a revised TSG, put it	put it out for public
Geography		efficient areas in	out for public	review, and return to
		the	review, and return to	the Board for
		unincorporated	the Board for	consideration
		County	consideration	
Option 7-B: Adopt	•	Consistent with	No additional cost if	No additional time if
the 110 ADT Small		OPR	combined with	combined with
Project Screening	•	Allow smaller	Option 7-A	Option 7-A
Criteria		projects to move		
		forward without		
		VMT analysis		

Option	Pros/Cons	Cost	Timeframe
	<ul> <li>Does not factor in location (VMT efficient or not)</li> </ul>		
Option 7-C: Adopt OPR Recommendation to Screen Out Projects with 100 Percent Affordable Housing from VMT Analysis	<ul> <li>Consistent with OPR</li> <li>Streamlines affordable housing projects</li> <li>Does not factor in location (VMT efficient or not)</li> </ul>	No additional cost if combined with Option 7-A	No additional time if combined with Option 7-A
Option 7-D: Adopt Additional Screening for Projects with at least 52 Percent Affordable Housing in infill areas (can be combined with Option 7-C)	<ul> <li>Includes         affordable         housing</li> <li>Streamlines         affordable         housing projects</li> <li>Does not factor         in location         (VMT efficient         or not)</li> </ul>	No additional cost if combined with Option 7-A	No additional time if combined with Option 7-A
Option 7-E: Require an LMA	<ul> <li>Consistent with General Plan</li> <li>Addresses road safety and traffic congestion</li> <li>Limited review compared to previous LOS analysis</li> <li>May be in addition to VMT in some cases</li> </ul>	No additional cost if combined with Option 7-A	No additional time if combined with Option 7-A
Option 7-F: Require an LMA for Safety Only (cannot be combined with Option 7-E or 7-G)	<ul> <li>Inconsistent with General Plan</li> <li>Addresses road safety</li> <li>Limited review compared to</li> </ul>	No additional cost if done as part of Programmatic EIR	GPA would be processed with the Programmatic EIR (30-36 months)

Option	Pros/Cons	Cost	Timeframe
	previous LOS analysis  May be in addition to VMT in some cases		
Option 7-G: Do not Require an LMA Analysis (cannot be combined with Option 7-E or 7-F)	<ul> <li>Inconsistent with General Plan</li> <li>Does not address road safety and operations</li> <li>Not additive (only VMT analysis required)</li> </ul>	Same as above	Same as above

Table 10: Summary of Options for All 13 Items

Items	Options		
Opportunities for Infill Development, Transit, By-Right Development, and Land Use Changes (Items 1, 2, 4, and 6)			
Item 1 – Infill Areas	Option 1-A: New VMT Screening Criteria for Infill Areas		
	Option 1-B: Programmatic Environmental Impact Report (EIR) (cannot be combined with 1-A)		
	Option 1-C: Use the Infill Area Maps as a Reason for Adopting a Statement of Overriding Considerations on a Project-by-Project Basis (can be combined with Option 1-B)		
Item 2 – Transit Opportunity Areas	Option 2-A: Programmatic Environmental Impact Report (EIR)		
	Option 2-B: Use the TOAs as a Reason for Adopting a Statement of Overriding Considerations on a Project-by-Project Basis (can be combined with Option 2-A)		
Item 4 – By-Right Process	Option 4-A: Study the Feasibility of a By-Right Program for VMT Efficient Areas		
	Option 4-B: Study the Feasibility of a By-Right Program for Infill Areas and Transit Opportunity Areas (can be combined with Option 4-A)		
	Option 4-C: Wait to Develop a By-Right Program until Consideration of the CAP Update and Smart Growth Alternatives (cannot be combined with Options 4-A or 4-B)		
Item 6 – Land Use	Option 6-A: Develop Options to Increase Density within VMT Efficient Areas		
	Option 6-B: Develop Options to Increase Density within Infill and Transit Opportunity Areas (TOAs) (could be combined with Option 6-A)		
	Option 6-C: Wait to Develop Options to Increase Density until Consideration of the CAP Update and Smart Growth Alternatives (cannot be combined with Options 6-A or 6-B)		
	Option 6-D: Direct Staff to Return with Options for a Sustainable Land Use Framework		

Items	Options			
VMT Mitigation Options (Item 3)				
Item 3 – VMT Mitigation Program	Option 3-A: Work with SANDAG, MTS and NCTD to Develop a Regional VMT Mitigation Program			
	Option 3-B: Work with the City of San Diego and/or Other Local Jurisdictions to Develop a Joint Program or Join an Existing Program like the City Program			
	Option 3-C: Develop a County Specific VMT Mitigation Program			
Revised Transportation Study Guide (Items 5, 7, 8, 9, 10, 11 and 13)				
	Option 7-A: Prepare a Revised TSG using a Regional Geography			
Items 7 through 11 – Revised TSG	Option 7-B: Adopt the 110 ADT Small Project Screening Criteria (can be combined with Option 7-A)			
Items 5 and 13 – Affordable Housing	Options 7-C: Adopt OPR Recommendation to Screen Out Projects with 100 Percent Affordable Housing			
	Option 7-D: Adopt Additional Screening for Projects with at least 52 Percent Affordable Housing in Infill Areas (can be combined with Option 7-C)			
Item 11 – LMA	Option 7-E: Require an LMA (cannot be combined with Option 7-F or 7-G)			
	Option 7-F: Require an LMA for Safety Only (cannot be combined with Option 7-E or 7-G)			
	Option 7-G: Do not Require an LMA Analysis (cannot be combined with Option 7-E or 7-F)			

**SUBJECT:** 

UPDATE ON OPTIONS TO IMPLEMENT VEHICLE MILES TRAVELED ANALYSIS DURING ENVIRONMENTAL REVIEW IN THE UNINCORPORATED REGION AND OPTIONS ON OTHER COUNTY PROGRAMS THAT RELATE TO VEHICLE MILES TRAVELED AND LAND USE (DISTRICTS: ALL)

## STAFF RECOMMENDATIONS

A challenge with VMT implementation is how to implement VMT as recommended by OPR, while meeting other State requirements like RHNA, since VMT requirements will make it more costly and challenging to develop within 99.7 percent of the unincorporated region since it is located in a VMT inefficient area. For projects proposed outside VMT efficient areas it becomes challenging and costly to mitigate VMT and in many cases infeasible due to the need to prepare an Environmental Impact Report (EIR), which can take up to 24 to 36 months to process. Often at the end of the EIR process, the costs associated with mitigating for VMT makes it infeasible to develop the property based on current market rates.

After exploring the 13 items related to VMT directed by the Board, staff has developed options and a phased approach to implement VMT within the unincorporated area, allowing projects to move forward within infill areas, excluding very high fire hazard severity zones, and included a recommendation to begin the process of updating the General Plan through the development of a sustainable land use framework. An update to the General Plan could refocus growth in locations that are VMT efficient, achieve other Board directed priorities related to sustainability, and still allow the County to achieve the State's housing goals. Planning & Development Services (PDS) recommends that the Board of Supervisors (Board) direct the following options to implement Vehicle Miles Traveled (VMT) in the unincorporated area. The recommendations are phased based on the timing of implementation.

#### Phase 1

Phase one includes the preparation of a revised Transportation Study Guide (TSG) based on a regional geography as recommended by the State Office of Planning and Research (OPR), including adoption of screening criteria for infill areas and any surrounding "village" as identified in the General Plan, excluding areas mapped as Very High Fire Hazard Severity Zones, small projects, affordable housing projects, and adoption of a Local Mobility Analysis (LMA). Phase 1 also includes the development of options that would initiate the development of a sustainable land use framework for a General Plan Update. Phase one would be completed within six months with a total cost of \$100,000.

#### Phase 2

Phase two includes longer term items that require the preparation of an Environmental Impact Report (EIR) and includes a regional VMT Mitigation Program with SANDAG, MTS, NCTD, and other local jurisdictions that allows developers to opt into the program. The programmatic EIR also includes screening criteria for Transit Opportunity Areas (TOAs). Phase two would take approximately 30 to 36 months to implement with a total cost of \$1,250,000.

Staff recommends that the Board not move forward at this time with studying changes to density or development of a by-right program because it would be based on the current General Plan if there is further direction to develop a sustainable land use framework to update the General Plan. Staff recommends waiting on these options until consideration of the framework or the Climate

Action Plan (CAP) Update and Smart Growth Alternatives. Direction to pursue either Smart Growth Alternatives or options for a sustainable land use framework could accommodate changes to the General Plan land use map and the potential of a by-right program at that time.

The following summarizes the staff recommendations by phase:

- C. Phase One Return within six months with a cost of \$100,000
- 3. **Prepare a revised TSG using a regional geography (Option 7-A)**, circulate it for a 30-day public review and return to the Board within six months for consideration. The Revised TSG should also include the following:
  - a. New VMT screening criteria for projects within infill areas (Option 1-A) and any surrounding "village" as identified in the General Plan, excluding areas mapped as Very High Fire Hazard Severity Zones. The screening criteria will allow projects located in infill areas and any surrounding "village" to move forward without VMT analysis or mitigation. This option would allow up to 8,755 homes to move forward without VMT analysis based on the General Plan. Projects located outside these areas will need to conduct a VMT analysis and propose mitigation to reduce their impacts.
  - Adopt the 110 average daily trips small project screening criteria (Option 7-B).
  - c. Adopt OPR recommendation to screen out projects with 100 percent affordable housing from VMT analysis (Option 7-C).
  - d. **Require an LMA (Option 7-E)**. The LMA for discretionary projects would be used to evaluate road operations, safety, and access that has been reduced from the previous type of traffic analysis done based on Level of Service prior to the implementation of SB 743 in that the area evaluated is limited to a few intersections around the project with the primary focus of safety and not traffic.
- 4. Direct staff to return with options for a sustainable land use framework (Option 6-D). Staff also recommends the Board direct staff to prepare options for further direction to inform the development of a sustainable land use framework for Board consideration and return to the Board in 120 days. Options would include the following: identification of principles for sustainable development that could inform future land use decisions; and comparison of planning mechanisms to implement Board directed principles, including zoning overlays, specific plans, community plan updates, or a general plan update.
- D. Phase Two Return within 30-36 months with a cost of \$1,250,000
  - 2. Work with SANDAG, Metropolitan Transit System (MTS), and North County Transit District (NCTD) to develop a regional VMT Mitigation Program

**SUBJECT:** 

UPDATE ON OPTIONS TO IMPLEMENT VEHICLE MILES TRAVELED ANALYSIS DURING ENVIRONMENTAL REVIEW IN THE UNINCORPORATED REGION AND OPTIONS ON OTHER COUNTY PROGRAMS THAT RELATE TO VEHICLE MILES TRAVELED AND LAND USE (DISTRICTS: ALL)

(Option 3-A) and work with the City of San Diego and/or other local jurisdictions to develop a joint program or join an existing program like the city program (Option 3-B), prepare the required nexus study and programmatic Environmental Impact Report (EIR) and return to the Board in 30 to 36 months for consideration. In the interim, allow projects on a case-by-case basis to work with transit agencies in the region to identify VMT mitigation for individual projects. As part of the mitigation program, include options where a developer can choose to opt in or out of the program and require a portion of the fees collected are spent to reduce VMT within the unincorporated area, with a priority on underserved communities and ensuring that the mitigation fees are used to implement projects that reduce VMT and GHG emissions. As part of the VMT Mitigation Program, also develop a Transportation Demand Management (TDM) ordinance for the unincorporated area that includes measures to reduce vehicle trips from new development. TDM is a strategy implemented to reduce vehicle trips and VMT by incorporating measures such as telecommuting, walking, carshare, shuttles, and other options that reduce single occupant vehicle trips.

As part of the same EIR for the VMT Mitigation Program discussed above, prepare a **Programmatic EIR (Option 2-A)** to evaluate the impacts from screening out projects from VMT analysis within Transit Opportunity Areas (TOAs). The programmatic EIR would cover both items in one programmatic document and provide programmatic environmental coverage for future projects within TOAs so no additional VMT analysis would be required for future individual projects. A statement of overriding considerations may be required if the VMT impacts associated with development in these areas cannot be mitigated. A statement of overriding considerations is a term used in CEQA that allows a project to be approved due to its benefit to the community despite the project's having significant impacts on the environment that cannot be mitigated. Examples of overriding considerations include the creation of housing, jobs, and other social and economic benefits.

#### **Public Input**

As part of the analysis and development of options related to the 13 items directed by the Board in May 2021, staff held meetings with, and sought input from, Community Planning & Sponsor Groups, environmental stakeholders, business and industry groups, labor organizations and non-governmental organizations.

Staff offered to present at all Community Planning and Sponsor Group (CPSG) meetings, and five accepted the offer: Alpine, Bonsall, Fallbrook, Jamul/Dulzura, and Lakeside. Staff also presented to the Lakeside Chamber of Commerce. At these presentations, CPSG members and the public discussed how the VMT analysis would affect project applications and review; the relative difficulty of mitigating VMT impacts in rural and semi-rural settings, including the lack of transit; opportunities for transit funding based on SANDAG's RTP; the difference between VMT efficient

areas and infill areas; the importance of having a mechanism to make local transportation improvements; and the continued need to evaluate traffic congestion and safety.

Additionally, presentations were made to environmental groups and land development industry groups, including the San Diego Farm Bureau, North County Economic Development Council, Climate Action Campaign, Endangered Habitats League, San Diego 350, North West Investment Group, San Diego North Economic Development Council, Building Industry Association (BIA), The Nature Conservancy, IBEW Local 569, Environmental Coalition Group, Land Development Technical Working Group and VMT Coalition Group. Environmental groups focused on the implementation of SB 743; achieving the highest possible GHG reductions; following the OPR recommendation to use a geographic area based on the entire San Diego region and concerns with projects requesting statements of overriding considerations. Concerns were brought up about infill development and transit areas located near or within high fire severity areas.

The land development industry groups focused on opportunities to screen out projects from VMT using the analysis for infill opportunity areas, or other programmatic approaches related to future transit opportunity areas, or fee programs. Concerns were also expressed about the potential for development opportunities in infill areas that are already built out. The Labor Unions expressed concerns with the lack of housing production and its impact on their industry.

Staff also held a workshop at the Planning Commission on January 7, 2022 to discuss the 13 items and staff analysis related to each item. At the Planning Commission workshop, concerns were expressed regarding VMT mitigation fees and the impact those will have on housing costs within the unincorporated area; impacts from climate change and greenhouse gas emissions; effects on small businesses and independent agencies like the Valley Center Municipal Water District, who obtained financing based on future development and the need to pay back the financing; what will happen to rural communities and school districts with declining enrollment if no new homes are built; and how VMT will penalize residents within unincorporated area, who do not have access to transit or other alternatives.

The Planning Commission voted 6 Ayes - 0 Noes - 1 Absent to recommend the Board of Supervisors (Board) prepare a Transportation Demand Management (TDM) program with a programmatic Environmental Impact Report (EIR) that includes a statement of overriding considerations in acknowledgement that it is not feasible to fully mitigate VMT without increasing housing costs to the point that no one is willing to build them. The TDM program would require projects to do their part and implement a minimum number of TDM measures depending on their location, excluding projects located within infill areas. If that is not feasible, an applicant could pay into a fund to add TDM measures in a location where they do make sense.

The Planning Commissioners also provided individual comments related to VMT due to the complexity of the topic and lack of consensus on the range of options as follows: (a) the State Office of Planning and Research (OPR) is advisory and not legally binding; (b) staff should work with Riverside County and Mexico to collaborate on how to reduce VMT; (c) VMT reductions

should be focused in the cities with higher populations; (d) the importance of retaining the 110 average daily trip (ADT) small project screening criteria; (e) ensure the County takes a broader approach to land use planning and not just let VMT drive the discussion; (f) the difficulties with transitioning to transit oriented development based on the existing development pattern in the county; (g) finding a middle ground or balanced option to address VMT; (h) how other jurisdictions need to do their part to reduce greenhouse gas emissions and VMT; (i) how the legislation needs to recognize electric vehicles and other technological advances that reduce greenhouse gas emissions; (j) allow existing communities to continue to grow so that they do not die on the vine: (k) how is it that unincorporated communities like Ramona could incorporate and adopt their own citywide VMT average similar to Del Mar, yet they cannot as an unincorporated community: (1) how housing is as important as climate change; (m) how the State legislature continues to require more housing at the same time they limit the potential locations through VMT; (n) regional VMT average is too restrictive and the approach needs to be more flexible; (o) concern about communities like Valley Center and the local water district's ability to pay back financing; (p) how VMT mitigation fees should not be spent outside of the unincorporated area; (q) consider adopting the subregional VMT option that was presented in June of 2020 for subregions while also adopting a regional threshold for the areas outside the subregions; (r) reduce parking requirements to force people to have fewer cars; (s) VMT will eliminate development in the unincorporated area; and (t) how the County needs to take action to address the climate emergency.

In advance of the January 26, 2022 update to the Board, PDS staff has been continuing to engage, meet with, and present to various stakeholders and community-based organizations on VMT and the 13 items.

#### **ENVIRONMENTAL STATEMENT**

Accepting the options for VMT and the 13 items, presenting those options, and obtaining direction from the Board of Supervisors (Board) is exempt from the California Environmental Quality Act (CEQA), pursuant to Section 15061(b)(3) of the CEQA Guidelines, as it would have no potential for resulting in a physical change to the environment, directly or indirectly. It can also be seen with certainty that there is no possibility that the Board's direction to initiate work on any of the proposed options may have a significant effect on the environment.

Furthermore, accepting these options for VMT and the 13 items does not commit the County to any definitive course of action and would have no potential for resulting in significant physical change or effect on the environment directly or indirectly. Subsequent actions would be reviewed pursuant to CEQA and presented to the Board for consideration before implementation. Therefore, it can be seen with certainty that there is no possibility that today's action may have a significant effect on the environment and that the actions are exempt or not subject to CEQA.

SUBJECT: UPDATE ON OPTIONS TO IMPLEMENT VEHICLE MILES

TRAVELED ANALYSIS DURING ENVIRONMENTAL REVIEW IN THE UNINCORPORATED REGION AND OPTIONS ON OTHER COUNTY PROGRAMS THAT RELATE TO VEHICLE MILES

TRAVELED AND LAND USE (DISTRICTS: ALL)

### LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's actions support the Strategic Initiative of Equity, Empower, and Community in the County of San Diego's 2022-2027 Strategic Plan by pursuing policy and program changes that enhance the community through increasing the well-being of residents and the environment. These actions will also provide innovative solutions and partnerships resulting in housing opportunities that meet the needs of the community.

Respectfully submitted,

Sarah Xoli

SARAH E. AGHASSI

Deputy Chief Administrative Officer

### **ATTACHMENT(S)**

Attachment A - Technical Memorandum, Infill Opportunity Areas in Unincorporated San Diego County

Attachment B – Technical Memorandum, Potential Transit Expansion Opportunities within the Unincorporated County

Attachment C - Technical Memorandum, Programmatic VMT Mitigation Options

Attachment D - Technical Memorandum, Trip Generation at Affordable Housing Developments

Attachment E - Benchmarking Matrix

Attachment F – Action Sheet

Attachment G – VMT Cost Estimate

Attachment H – Infill Area Option Maps

Attachment I – January 26, 2022 Staff Presentation